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Electronic News Financial Fact Book & Directory

1982

21st Annual Edition

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New York, N.Y.

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Editor's Note: In order to present a clearer picture of a company's involvement in the Electronics field, we have, in some cases, included only those divisions and subsidiaries related to Electronics.

Robert Benjamin
Chief Research Editor

Standard Book Number: 87005-414-7

Printed in the United States of America

LEADERS IN THE ELECTRONICS INDUSTRY - 1982

	Electronic Sales	% of Gross Sales in Electronics	+Gross Sales in Latest Available Four Quarters
IBM Corp.	$23,740,000,000	80	$29,675,000,000
ITT Corp.	7,838,000,000	34	23,052,000,000
Western Electric Cc.	6,860,658,000	53.6	12,795,610.000
General Electric Co.	4,890,600,000	18*	27,170,000,000
RCA Corp.	4,410,300,000	55	8,004,800,000
Sperry Corp.	4,081,400,000	73	5,571,400,000
Honeywell, Inc.	4,051,050,000	75*	5,401,400,000
Hewlett-Packard Co.	3,943,000,000	100	3,943,000,000
Texas Instruments, Inc.	3,503,845,000	83	4,221,500,000
Motorola, Inc.	3,389,368,000	100	3,389,368,000
Hughes Aircraft Co.	3,267,000,000	99	3,200,000,000
Control Data Corp.	3,142,780,000	74	4,247,000,000
Westinghouse Electric Corp.	3,093,222,000	33	9,373,400,000
NCR Corp.	3,089,004,000	89.7	3,453,991,000
N.A. Philips	2,986,105,000	90	3,317,894,000
Litton Industries, Inc.	2,835,558,000	55.6	5,097,211,000
Digital Equipment Corp.	2,736,599,000	73	3,742,507,000
Raytheon Co.	2,664,000,000	47	5,636,200,000
Schlumberger Ltd.	2,110,200,000	37	6,173,123,000
TRW, Inc.	2,075,200,000	38.8	5,347,700,000
Burroughs Corp.	1,957,984,710	61	3,209,811,000
Tandy Corp.	1,947,764,000	100	1,947,764,000
General Motors Corp.	1,850,865,000	3	61,695,500,000
Rockwell International	1,790,369,800	25.4	7,048,700,000
GTE Corp.	1,733,750,000	15.3	11,356,526,000
Northern Telecom	1,686,591,500	90	1,867,758,900
Xerox Corp.	1,582,672,000	18.2	8,696,000,000
Bendix Corp.	1,516,151,800	35.7*	4,246,924,000
Zenith Radio Corp.	1,296,200,000	100	1,296,200,000
General Signal Corp.	1,286,113,500	75	1,714,818,000
Penn Central Corp.	1,258,000,000	35	3,577,000,000
Harris Corp.	1,212,453,000	72	1,683,963,000
Tektronix	1,146,448,000	100	1,146,448,000
National Semiconductor	1,104,095,000	100	1,104,095,000
Wang Laboratories, Inc.	1,093,863,000	100	1,093,863,000
Gould, Inc.	1,016,070,000	50	2,032,140,000
Storage Technology Corp.	1,002,598,000	100	1,002,598,000
General Instrument Corp.	957,059,000	100	957,059,000
Avnet, Inc.	918,000,000	74	1,241,000,000
AMP, Inc.	876,476,000	70	1,252,109,000
Teledyne, Inc.	865,200,000	27.1	3,190,448,000
Intel Corp.	811,167,000	100	811,167,000
Perkin Elmer Corp.	797,250,000	75	1,063,000,000
Data General Corp.	783,836,000	100	783,836,000
Ford Motor Co.	756,960,000	2*	37,848,000,000
Varian Associates	669,000,000	100	669,000,000
SmithKline/Beckman	660,517,000	100	660,517,000
Signal Co.'s	594,000,000	11.1	5,332,000,000
Allied Corp.	585,800,000	9.1	6,425,000,000
Corning Glass Works	521,901,000	33.3*	1,565,500,000
Northrop Corp.	459,400,000	23	2,008,400,000

*Estimated by *Electronic News*

+Based on latest available figures as gathered by *Electronic News*.

(Reprinted from *Electronic News* – July 12, 1982)

LOOKING AT THE LEADERS 1982

	STOCK PRICES		%	STOCK PRICES EARNINGS PER SHARE (A)		P/E RATIO (B)		EPS(C)		SALES (Millions)	
	5-31-82	5-31-81	CHG	1982	1981	1982	1981	PRO-JECTED 1982	ACTUAL 1981	PRO-JECTED 1982	ACTUAL 1981
Allied Bunker	37 3/8	54 1/4	-31.1	$8.08	$8.86	4	6	$7.75	$9.03	$8,450	$8,044
AMP	54	58 5/8	- 7.9	3.76	3.54	13	15	4.30	3.75	1,200	1,252
Avnet	45 3/8	53 7/8S	-15.8	4.20	4.11S	13	13	3.40	3.90	1,300	1,241
Bendix	51 1/2	60 5/8	-15.0	7.08	7.37	7	8	7.50	7.14	4,450	4,247
Burroughs	34 5/8	42 3/8	-18.2	3.69	4.40	7	8	4.90	3.58	3,400	3,210
Control Data	24 7/8	40 7/8S	-39.1	4.41	4.25S	5	9	5.00	4.46	4,470	4,247
Corning	48	71	-32.4	4.48	4.92	11	11	4.51	5.01	1,650	1,566
Data General	27 1/4	64 1/4	-57.6	3.68	4.48	12	18	2.25	3.85	825	784
Digital Equipment	75 3/8	111 1/4	-32.2	7.53	6.27	10	18	7.60	6.70	3,900	3,743
Ford	22 3/4	23	- 1.1	d8.10	d15.79	45	NA	.50	d8.81	38,500	37,848
General Electric	61 7/8	65 3/4	- 5.9	7.35	6.72	8	9	8.00	7.26	28,550	27,170
General Instrument	31 3/4	41 5/8S	-23.8	3.01	2.49S	10	16	3.50	3.01	1,050	957
General Motors	42 7/8	55 5/8	-23.0	.85	d2.54	14	12	3.00	1.07	64,500	61,696
General Signal	34 3/8	48 1/4	-28.0	4.24	4.11	7	10	4.80	4.23	1,850	1,715
Gould	24 1/4	25 3/4	- 5.8	2.28	1.87	10	9	2.40	2.33	2,150	2,032
GTE	28 3/8	29 1/2	- 3.8	4.36	3.90	6	7	4.75	4.32	11,950	11,357
Harris	25 3/8	50 3/4	-50.0	2.77	2.92	11	17	2.40	3.97	1,750	1,684
Hewlett-Packard	43 3/4	53 S	-17.5	2.81	2.37S	15	20	2.95	2.55	4,150	3,943
Honeywell	68 3/4	91 1/4	-24.7	9.86	12.83	7	8	11.25	10.25	5,700	5,401
Hughes				PRIVATELY OWNED						3,500	3,300
Intel	30 1/4	41	-26.2	.68	1.71	30	33	1.00	.61	850	811
IBM	61 1/2	58 3/4	+ 4.7	5.68	5.80	9	9	6.75	5.83	31,700	29,070
ITT	24 1/4	31 5/8	-23.4	4.55	4.53	5	6	4.70	4.70	24,200	23,052
Litton	38 1/2	71 1/4	-46.0	8.01	7.15	5	9	8.15	7.46	5,350	5,092
Motorola	58 3/4	86	-31.7	5.20	5.98	10	14	6.00	5.56	3,550	3,389
National Semicon	20 3/4	34 1/2	-39.9	.22	2.67	NA	16	d	2.37	1,150	1,104
NCR	45 7/8	68 1/8	-32.7	7.84	9.57	6	7	7.80	7.72	3,600	3,454
North American Phillips	37	57	-35.1	7.47	5.65	5	10	7.81	7.67	3,500	3,318
Northern Telecom	39 7/8	44 1/2	-10.4	3.91	d.67	9	20	4.65	3.49	1,950	1,868
Northrop	49 1/2	49 3/4	- .5	.21	6.05	NA	10	.25	3.31	2,150	2,008
Penn Central	25 3/4	27 5/8S	- 7.0	4.53	3.35S	6	14	4.61	4.18	3,750	3,577
Perkin-Elmer	19 5/8	31	-36.5	1.50	1.76	13	17	1.50	1.81	1,150	1,063
Raytheon	32 3/8	52 1/2	-38.3	3.92	3.49S	8	13	4.10	3.86	5,900	5,636
RCA	19 3/8	24 7/8	-22.1	2.04	3.11	11	8	1.75	1.80	8,450	8,005
Rockwell	28 1/2	40 5/8	-29.9	3.94	3.70	7	11	4.25	3.84	7,450	7,049
Schlumberger	43 3/4	66 1/2S	-34.2	4.64	3.51S	8	16	5.25	4.37	6,500	6,173
Signal Cos	17	31 7/8	-46.7	2.72	2.63	6	10	3.00	2.95	5,600	5,332
SmithKline/Beckman	67 3/4	84	-19.3	5.69	4.87	11	15	6.00	5.55	700	660
Sperry	24 1/8	51 7/8	-53.5	5.25	7.68	5	6	5.25	5.25	5,850	5,571
Storage Tech	23 1/4	34 3/4	-33.1	2.61	1.80	7	18	3.50	2.73	1,100	1,003
Tandy	26 7/8	37 1/8S	-27.6	2.10	1.43S	13	26	2.10	1.65	2.050	1,948
Tektronix	52 5/8	60 3/4	-13.3	4.31	4.51	12	14	4.35	4.34	1,200	1,146
Teledyne	105 1/4	164 7/8	-36.2	19.67	16.29	6	9	18.50	19.96	3,350	3,190
Texas Instruments	83 3/8	114 1/2	-27.0	4.32	8.49	14	14	6.00	4.62	4,450	4,222
TWR	48 5/8	60 1/4	-19.2	6.05	6.52	7	8	6.50	6.40	6,650	5,348
Varian Associates	33 1/2	25 3/4	+30.1	2.29	1.63	12	16	2.50	1.34	750	669
Wang Labs	28	25 3/4	+ 8.7	1.63	1.26	16	31	1.80	1.36	1,150	1,094
Western Electric				SUBSIDIARY						13,450	12,796
Westinghouse	25 1/4	33 1/4	-24.1	5.16	4.91	5	7	5.00	5.10	9,850	9,373
Xerox	31 1/4	54	-42.1	6.68	7.44	5	7	6.50	7.08	9,100	8,696
Zenith	13 1/4	19 7/8	-33.3	.39	1.36	15	14	.80	.82	1,350	1,296

(A) – Earnings per share for latest 12 months, through May 31, 1982

(B) – Per share stock price for the latest 12 months, through May 31, 1982

(C) – Earnings per share and sales as actually reported for either calendar or fiscal 1981/82 and projections for 12 months thereafter.

NA – Not Available

S – Stock Split Adjustment

D – Deficit

AAR Corp.

2100 Touhy Avenue
Elk Grove Village, Illinois 60007
(312) 437-9300

Officers: Ira A. Eichner, chairman of the board & chief executive officer; Robert C. Stuart, president & chief operating officer; Ben C. Brostoff, v.p.-general counsel & secretary; Robert A. Cameron, v.p.-finance & treasurer; Jan van den Berg, v.p.-Int'l. Operations; Samuel Wershba, v.p.; Barton J. Levin, v.p.-corp. planning; Joseph J. Dzurinko, v.p.-accounting; Neil S. Weiner, v.p.-legal.

Directors: Ira A. Eichner*, chairman; Robert C. Stuart*, Ben C. Brostoff*, Robert A. Cameron, Herbert K. Cummings, Edgar D. Jannotta, William A. Jennett*, Robert D. Judson, James H. Ruben, Erwin E. Schulze*, Jan van den Berg.

* Member of the Executive Committee.

Areas of Work: Engaged in the overhaul and certification of communications and navigation equipment (avionics), engines, engine parts, and airframe parts; design, manufacture and marketing of proprietary instruments; retail distribution of Cessna aircraft, associated distribution of parts and accessories for general aviation, and flight instruction; and line and shop maintenance of engines, propellers, airframes, avionics and accessories.

Divisions:

Allen Aircraft
2100 Touhy Avenue
Elk Grove Village, Illinois 60007
(312) 437-9300

Aeronetics
2100 Touhy Avenue
Elk Grove Village, Illinois 60007
(312) 437-9300

Subsidiaries:

AAR Jet Center, Inc.
Hangar 4
Oakland International Airport
P.O. Box 2109
Oakland, California 94614
(415) 638-6804

American Aviation Resources, Inc.
6110 Executive Boulevard, Suite 810
Rockville, Maryland 20852
(301) 984-9350

AAR Technical Service Center Corp.
747 Zeckendorf Boulevard
Garden City, New York 11530
(516) 222-9000

AAR Oklahoma, Inc.
Will Rogers World Airport
P.O. Box 19508
Oklahoma City, Oklahoma 73119
(405) 681-2361

Allen Aircraft Hardware, Inc.
111 S.W. 33 St.
Fort Lauderdale, Florida 33315
(305) 525-4181

Allen-Airmotive International, Inc.
705 Kruisweg
Hoofddorp, The Netherlands

Avia Radio A/S
Hanger 141
Copenhagen Airport
2791 Dragoer, Denmark

AAR Del Monte, Inc.
Monterey Peninsula Airport
P.O. Box 1311
Monterey, California 93940
(408) 373-4151

Mars Aircraft Radio Service Company of New Jersey
Hangar 3
Teterboro Airport
Teterboro, New Jersey 07508
(201) 288-0222

Technisch Handelskantoor Lloyd, B.V.
Daalmeerstraat 17-19
Hoofdoorp, The Netherlands

AAR Western Skyways, Inc.
Portland-Troutdale Airpot
Troutdale, Oregon 97060
(503) 665-1181

Allen-Airmotive International (France) S.A.R.L.
30, Avenue de l'Amiral Lemonnier
78160 Marly le Roni
Paris, France

Abscoa Industries, Inc.
200 Saw Mill River Road
Hawthorne, New York 10532
(914) 747-0500

Abscoa Industries, Inc.
3160 West El Segundo Boulevard
Hawthorne, California 90250
(213) 970-0886

AAR Energy Services Corp.
747 Zeckendorf Blvd.
Garden City, New York 11530
(516) 747-6400

Allen Aircraft International, Inc.
Grove House
Hatfield Road
Slough, Berks, England

Jet International Corp.
3330 Dundee Road, Suite C-3
Nothbrook, Illinois 60062
(312) 480-9440

Brooks & Perkins/Advanced Structures Division
12633 Inkster Road
Livonia, Michigan 48150
(313) 539-2000

Brooks & Perkins/Brownline Division
2950 Lomita Boulevard
Torrance, California 90509
(213) 539-0320

Brooks & Perkins/Brownline Ltd.
Tamian Way, Greenlane
Hounslow, Middlesex, England
01-527-0321

Brooks & Perkins/Skydyne Division
River Road
Port Jervis, New York 12771
(914) 856-6655

Brooks & Perkins/Materials Handling Division
P.O. Box 1227
Anderson & Taylor Streets
Aberdeen, North Carolina 28315
(919) 944-2167

Brooks & Perkins/Cadillac Manufacturing Division
201 Haynes Boulevard
Cadillac, Michigan 49601
(616) 775-8715

Acquisition(s):

Brooks & Perkins, Incorporated (Aug 11, 1981)
Southfield, Michigan

Manufactures and markets a wide range of air cargo equipment for commercial and military aircraft.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AIR

Number of Employees:

1981	1,800	1978	895
1980	896	1977	810
1979	940		

Plant Footage:

1981	1,800,000 sq. ft.	1979	925,300
1980	1,000,000	1978	858,600

Sales and Earnings

	Net Sales	Net Income
1981	$ 132,482,000	$ 3,606,000
1980	130,617,000	3,721,000
1979	118,667,000	3,005,000
1978	92,820,000	2,015,400
1977	80,535,200	1,800,900

	No. of Com. Shares ‡	Earn. per Shares ‡
1981	2,486,000	$ 1.45
1980	2,216,000	1.68
1979	2,099,000	1.43
1978	2,099,000	0.96
1977	2,126,000	0.85

‡ Based of the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Revenues By Line of Business

	1981	1980
Commercial aviation prods. & serv.	$ 74,950,000	$ 61,126,000
General aviation prods. & serv.	57,532,000	69,491,000
Total	$ 132,482,000	$ 130,617,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.41	—	—
1980	0.38	—	5-for-4
1979	0.30	10%	—
1978	0.22	—	—
1977	0.19	—	—

+ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 29,721,000	$ 11.58
1980	25,682,000	10.90
1979	21,084,000	10.02
1978	18,666,000	8.92
1977	17,252,000	8.14

‡ Adjusted to reflect stock split.

Income Account *

Year ended May 31	1981	1980
Net sales	$ 132,482,000	$ 130,617,000
Cost of sales	101,792,000	102,503,000
Expenses	21,070,000	18,670,000
Interest expense	3,708,000	3,492,000
Income before taxes	$ 5,912,000	$ 5,952,000
Eq. in inc. of non-consol. investee	(464,000)	(452,000)
Income taxes	2,770,000	2,683,000
Net Income	$ 3,606,000	$ 3,721,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,438,000 in 1981 and $1,112,000 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 3,034,000	$ 3,073,000
Accts. receiv., net	17,202,000	19,008,000
*Inventories	37,813,000	29,386,000
Prepaid expenses	1,285,000	1,255,000
Current Assets	$ 59,334,000	$ 52,722,000
#Fixed assets	14,405,000	13,548,000
Other assets	9,336,000	7,488,000

Total Assets	$ 83,075,000	$ 73,758,000

Liabilities

Notes payable	$ 14,463,000	$ 12,798,000
Long-term debt, curr.	942,000	381,000
Accts. payable	9,264,000	9,332,000
Accruals	3,974,000	3,815,000
Income taxes	587,000	53,000
Curr. Liabilities	$ 29,230,000	$ 26,379,000
Long-term debt:		
Due to banks & others	23,400,000	19,784,000
Deferred inc. taxes	724,000	788,000
Convert. subord. notes	—	1,125,000
+Common stock	2,617,000	2,452,000
Add. paid-in capital	11,233,000	10,158,000
Retained earnings	16,120,000	13,533,000
Treasury stock	(249,000)	(461,000)
Total Liabilities & Shareholders' Equity	$ 83,075,000	$ 73,758,000

* At lower of cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	4.46	4.56
%Net Income to Sales	2.72	2.85
%Net Income to Equity	12.13	14.49
Sales to Inventories	3.50	4.44
Working Capital	$30,104,000	$26,343,000
Current Ratio	2.03	2.00
Shareholders' Equity	$29,721,000	$25,682,000

A.B.A. Industries, Inc.

P.O. Box 510
10260 U.S. Highway 19 North
Pinellas Park, Florida 33565
(813) 546-3571

Mailing Address:
P.O. Box 510
Pinellas Park, Florida 33565

Officers: Alan K. Anderson, chairman of of the board & president; Clarence E. Carlson, sr. v.p.-finance; Carlton G. Carrington, sr. v.p. & gen mgr.-Precision Machining Division; Bruce W. Harting, sr. v.p.-corp. marketing; Albert W. Schroeder, sr. v.p. & gen. mgr.-ABA Electromechanical Systems, Inc.: Dale E. White, v.p.-human resources; Ellen Aldridge, treasurer; Priscilla McLaughlin, asst. secretary; Mary Kim Webster, secretary.

Directors: Alan K. Anderson, chairman; Glenn A. Burdick, Clarence E. Carlson, Allan B. Davis, Robert Dressler, Bruce W. Harting, Thomas A. James, Albert W. Schroeder.

Divisions and Subsidiaries:

ABA Electromechanical Systems, Inc.
6200 - 118th Avenue North
Largo, Florida 33543
(813) 541-6681

Designs and manufactures electro-mechanical systems for various government agencies, either as a prime or subcontractor. Had developed a Fully Automated Scoring Target System ("FAST") for use in rifle training ranges and other electro-optical/laser tracking systems. Manufactures antenna pedestal systems, which use microprocessor-based controls to provide maximum performance. Applications include land and sea based search radar.

ABA Precision Machining Division
10260 U.S. Highway 19 North
Pinellas Park, Florida 33565
(813) 546-3571

Manufactures parts primarily for the aerospace industry, particularly turbine engines.

Polytronic ABA, Inc.
6100 118th Avenue North
Largo, Florida 33543
(813) 541-1995

ABA Flash Welded Ring Division
10260 U.S. Highway 19 North
Pinellas Park, Florida 33565
(813) 546-3571

Commercial Products Division
6100 118th Avenue North
Largo, Florida 33543
(813) 546-3571

Transfer Agent(s):

J. Henry Schroder Bank and Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ABAI (NASDAQ)

Number of Employees:

1981	500	1979	375
1980	480		

Plant Footage:

1981	160,443 sq. ft.	1979	87,671
1980	114,671		

Sales and Earnings

	Net Sales	Net Income
1981	$ 35,921,000	$ 1,495,000
1980	23,381,989	925,745
1979	13,622,062	452,302
1978	8,184,560	198,547
1977	7,734,713	232,396

	No. of Com. Shares +	Earn. per Shares #
1981	1,424,305	$ 1.03
1980	1,400,103	0.83
1979	921,050	0.51
1978	890.288	0.22
1977	894,438	0.26

+ Adjusted to reflect stock splits.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$ —	—	5-for-4
1980	0.80	—	2-for-1 & 5-for-4‡
1979	—	—	—
1978	—	—	—
1977	0.03	—	—

+ Adjusted to reflect stock splits.
‡ Declared Dec., 1980.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 8,602,000	$ 6.04
1980	6,874,176	4.91
1979	3,508,787	3.81
1978	2.934.960	3.30
1977	2.743.706	3.07

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Oct. 31	1981	1980
Net sales & contract revs.	$ 35,921,000	$ 23,381,989
Other income	166,000	299,386
Total income	$ 36,087,000	$ 23,681,375
Cost of sales	29,901,000	19,850,163
Expenses	3,351,000	2,104,827
Interest expense	638,000	339,329
Income before taxes	$ 2,197,000	$ 1,387,056
Income taxes	833,000	493,000
Minority interest	(131,000)	(31,689)
Net Income	$ 1,495,000	$ 925,745

* Included in Costs and Expenses, Depreciation: $691,000 in 1981 and $476,858 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 412,000	$ 917,854
Accts. receiv., net	10,144,000	5,954,972
*Inventories	6,583,000	3,298,328
Prepaid expenses	84,000	103,717
Current Assets	$ 17,223,000	$ 10,274,871
#Fixed assets	6,662,000	4,908,506
Other assets	595,000	320,373
Total Assets	$ 24,480,000	$ 15,503,750

Liabilities

Notes payable	$ 3,350,000	$ 100
Long-term debt, curr.	118,000	42,310
Accts. payable	3,437,000	2,805,919
Accruals	1,348,000	1,094,706
Billing in exc. of cost	1,585,000	918,062
Deferred inc. taxes	491,000	904,000
Inc. taxes payable	204,000	38,000
Curr. Liabilities	$ 10,533,000	$ 5,803,097
Long-term debt	3,677,000	2,166,377
Deferred inc. taxes	1,668,000	660,100
+ Common stock	144,000	142,549
Add. paid-in capital	4,146,000	3,925,093
Retained earnings	4,346,000	2,851,678
Treasury stock	(34,000)	(45,144)
Total Liabilities & Shareholders' Equity	$ 24,480,000	$ 15,503,750

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	6.12	5.93
%Net Income to Sales	4.16	3.96
%Net Income to Equity	17.38	13.47
Working Capital	$6,690,000	$4,471,774
Current Ratio	1.64	1.77
Shareholders' Equity	$8,602,000	$6,874,176

AccuRay Corporation

(formerly Industrial Nucleonics Corporation)

650 Ackerman Road
Columbus, Ohio 43202
(614) 261-2000

Officers: David L. Nelson, president; Christopher J. Campbell, exec. v.p.; William L. Adams, Herbert J. Kahn, James D. Mitchell, sr. v.p.'s; Robert E. Swenson, v.p.- finance; Marc F. De Backer, director-European finance; William D. Bloebaum, v.p. - int'l. finance; Mark K. Duyck, int'l. controller; Guy T. Pira, int'l treasurer; Walter H. Canter, Jr., Donald D. Danison, John E. Dewitt, John E. Eickelberg, David J. Foster, Dennis A. Orwig, v.p.'s; Ladd R. Grapski, controller, Robert F. Zust, treasurer; Ronald F. Shuff, secretary and general counsel.

Directors: Edward McC. Blair, Christopher J. Campbell, Gordon B. Carson, Henry R. Chope, John Eckler, William M. McLaughlin, David L. Morrison, David L. Nelson, George F. Schlaudecker, Robert E. Swenson, George B. Young.

Areas of Work: Manufactures process management systems for the pulp and paper, tobacco, metals, and plastics markets. AccuRay systems are designed to minimize quality variation and to increase production.

Divisions and Subsidiaries:

AccuRay Argentina
Maipu 812 Piso 3 Office L
1006 Buenos Aires, Argentina

AccuRay Australia Pty. Ltd.
Riverside
2 Normanby Road
South Melbourne, Australia V1C 3205

AccuRay International
Genevestraat 10
1140 Brussels, Belgium

AccuRay Sistemas Limitada
Rua Beneficencia Portuguesa, 24
S/411
CEP. 01033
Sao Paulo, Brasil

AccuRay of Canada Ltd.
1890 Beaulac
Ville St. Laurent
Quebec, Canada H4R 1R9

AccuRay Finland Oy
Salomonkatu 17 B 6
00100 Helsinki 10
Finland

AcccuRay France S.A.R.L.
8 Rue Auguste-Renoir
78400 Chatou, France

AccuRay Deutschland GmbH
Holzgasse 29-33
52 Siegburg
West Germany

AccuRay Limited
P.O. Box GPO
Dundalk, County Louth
Ireland

AccuRay Italia S.r.l.
Via A. Volta 16
20093 Cologno Monzese (Milan)
Italy

AccuRay Japan Ltd.
New Kudan Building No. 7
3-Chome Kanda-Jimbocho
Chiyoda-ku
Tokyo, Japan

AccuRay Mexico S.A. de C.V.
Avenida de las Palmas 731-704
Piso 7
Lomas de Chapultepec
Mexico 10 D.F., Mexico

AccuRay Netherlands B.V.
Leidseplein 29
1017 PS Amsterdam
The Netherlands

AccuRay Australia Pty. Ltd.
Suite 2A
40 Eruera Street
P.O. Box 1643
Rotorua, New Zealand

AccuRay Singapore
2316 International Plaza
23rd Floor, Anson Road
Singapore 0207

AccuRay S.A. (Pty.) Ltd.
7th Floor
Standard Bank Building Arcade
4th Street Springs
Johannesburg, South Africa

AccuRay Espana, S.A.
C/Milanesado 21-23
Barcelona 17, Spain

AccuRay Scandinavia A.B.
Bergshojden 32
Box 7102
S-17207 Sundbyberg, Sweden

AccuRay (U.K.) Limited
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire WD3 1EQ, England

Transfer Agent(s):

First National Bank of Chicago
Chicago Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ACRA (NASDAQ)

Number of Employees:

1981	1.845	1978	1,940
1980	1,905	1977	1,887
1979	1,900		

Plant Footage:

1981 . . . . . . 340,000 sq. ft.

Sales and Earnings +

	Net Sales ‡	Net Income †
1981	$ 51,027,000	$ 3,170,000
1980	49,311,000	2,232,000
1979	44,613,000	1,079,000
1978	43,746,000	433,000
1977	33,612,000	148,000

	No. of Com. Shares	Earn. per Shares #†
1981	3,542,396	$ 0.90
1980	3,522,131	0.64
1979	3,434,356	0.31
1978	3,434,356	0.13
1977	3,434,356	0.04

+ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

‡ Including revenues from sales and rentals.

† Including extraordinary gain of $366,000 ($0.11 per share) in 1978.

# Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 22,254,000	$ 6.45
1980	19,324,000	5.49
1979	16,623,000	4.84
1978	16,079,000	4.68
1977	15,646,000	4.56

‡ Restated.

Income Account *
(000's)

Year ended Dec. 81	1981	1980 ‡
Net sales	$ 51,027	$ 49,311
Other income	57,506	53,599
Total income	$ 108,533	$ 102,910
Cost of sales	64,920	60,511
Expenses	32,318	31,455
Interest expense	7,513	7,765
Foreign currency loss (gain)	(109)	510
Gain on deben.	(444)	(427)
Income before taxes	$ 4,335	$ 3,096
Income taxes	1,165	864
Net Income	$ 3,170	$ 2,232

*Included in Costs and Expenses, Depreciation and Amortization: $1,844,000 in 1981 and $1,729,000 in 1980.

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 2,415	$ 2,615
Accts. receiv.	37,210	37,941
Contracts receiv.	2,443	3,538
*Inventories	29,900	31,518
Prepaid expenses	2,432	2,893
Current Assets	$ 74,400	$ 78,505
Other receiv.	3,490	5,527
#Lease/rental agmts.	266	376
#Fixed assets	16,757	14,543
Other assets	1,757	1,830
Total Assets	$ 96,670	$ 100,781

Liabilities
(000's)

Notes payable	$ 13,513	$ 15,960
Accts. payable	6,589	6,224
Accruals	10,301	11,144
Income taxes	933	156
Curr. Liabilities	$ 31,336	$ 33,484
Long-term debt	12,546	18,441
Mortg. payment	7,959	6,812
Lease purch. oblig.	2,761	1,567
Conv. subord. 5½% debent.	12,959	14,000
Deferred income	4,953	4,784
Deferred inc. taxes	1,902	2,369
+Common stock	3,693	3,673
Add. paid-in capital	4,203	4,108
Retained earnings	15,566	12,751
Treasury stock	(1,208)	(1,208)
Total Liabilities & Shareholders' Equity	$ 96,670	$ 100,781

‡ Restated.

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Total Income	3.99	3.01
%Net Income to Total Income	2.92	2.17
%Net Income to Equity	14.24	11.55
Working Capital	$43,064,000	$45,021,000
Current Ratio	2.37	2.34
Shareholders' Equity	$22,254,000	$19,324,000

Acme Electric Corporation

First Trust Union Bank Building
260 N. Union Street
Olean, New York 14760
(716) 373-3050

Officers: Kirk E. Hampton, chairman of the board; James W. McLaughlin, president & chief exec. officer; John C. Hey, v.p.-engineering; Robert J. McCue, v.p. - marketing; J. Thomas Odell, v.p.-industrial relations; Thomas P. Sullivan, treasurer & controller; Joseph Pinker, v.p. - manufacturing; Joseph L. Harris, secretary.

Directors: K.E. Hampton*, chairman; R. Hartley Bond, G. Wayne Hawk, J.W. McLaughlin*, R.O. Hopkins, M.J. Valicenti, Henry H. Coords, Frank W. Williams*.

*Member of Executive Committee.

Areas of Work: Dry type power distribution transformers, regulated D.C. power supplies, constant voltage transformers, static power rectifiers, motor starting reactors and reactor packs, machine tool control transformers, stepdown and tapped winding transformers, voltage adjusting transformers, saturable reactors, magnetic amplifier power controls, military type power supplies, power line regulators, special purpose transformers, frequency control equipment, automotive battery chargers, communication power supplies and magnetic components power supplies for electrostatic applications, specification line transformers. Manufacturing operations are located at Santa Ana, California; Lumberton, North Carolina; Cuba, Rochester and Allegheny, New York; Salt Lake City, Utah.

Acquisition(s):

Standard Power, Inc.
1400 S. Village Way
Santa Ana, California 92705
(714) 558-8512
Manufactures power conversion equipment.

Acme Electric Corporation

Transfer Agent(s):

The Bank of New York
48 Wall Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALEC (NASDAQ)

Number of Employees:

1981	1,350	1978	1,129
1980	1,060	1977	980
1979	1,130		

Plant Footage:

1980	413,000 sq. ft.	1978	413,000
1979	413,000	1977	313,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 52,372,000	$ 3,054,000
1980	49,976,902	2,833,788
1979	43,382,112	1,985,247
1978	39,787,837	2,985,111
1977	32,159,013	2,092,520

	No. of Com. Shares #	Earn. per Share #
1981	2,959,866	$ 1.03
1980	2,965,462	0.96
1979	2,970,652	0.67
1978	2,945,680	1.01
1977	2,921,668	0.72

# Based on weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.28	5%	—
1980	0.23	5%	—
1979	0.22	100%	—
1978	0.15	5% + 10%	—
1977	0.09	5% + 100%	2-for-1

‡ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 18,618,000	$ 6.23
1980	16,207,110	5.50
1979	14,320,408	4.80
1978	12,947,294	4.38
1977	10,353,575	3.54

# Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 52,372,000	$ 49,976,902
Cost of sales	38,265,000	36,526,732
Expenses:		
Res. & engr.	3,296,000	2,946,698
Sell. & admin.	4,819,000	4,789,202
Interest expense	469,000	264,677
Income before taxes	$ 5,523,000	$ 5,449,593
Income taxes	2,469,000	2,615,805
Net Income	$ 3,054,000	$ 2,833,788

* Included in Costs and Expenses, Depreciation: $1,058,000 in 1981 and $857,060 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 285,000	$ 160,000
Short-term investments	1,800,000	—
Accts. receiv., net	8,479,000	6,834,000
*Inventories	9,765,000	9,889,000
Other curr. assets	254,000	200,000
Current Assets	$ 20,583,000	$ 17,083,000
#Fixed assets	9,181,000	6,769,000
Total Assets	$ 29,764,000	$ 23,852,000

Liabilities

Long-term debt, curr.	$ 586,000	$ 160,000
Accts. payable	2,913,000	2,076,000
Income taxes	781,000	1,357,000
Other liabilities	1,185,000	1,002,000
Curr. Liabilities	$ 5,465,000	$ 4,595,000
Long-term debt	5,681,000	3,050,000
+Common stock	3,162,000	2,982,000
Add. paid-in capital	5,166,000	4,064,000
Retained earnings	10,963,000	9,834,000
Treasury stock	(673,000)	(673,000)
Total Liabilities & Shareholders' Equity	$ 29,764,000	$ 23,852,000

* At lower of current cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.55	10.90
%Net Income to Sales	5.83	5.67
%Net Income to Equity	16.40	17.48
Sales to Inventories	5.36	5.05
Working Capital	$15,118,000	$12,488,000
Current Ratio	3.77	3.72
Shareholders' Equity	$18,618,000	$16,207,000

ADAC Laboratories

255 San Geronimo Way
Sunnyvale, California 94086
(408) 736-1101

Officers: Clarence S. Jones, chairman of the board; Charles W. Cantoni, president & chief executive officer; John W. Britton, v.p.-engineering; John M. Burgess, v.p.-marketing & sales; Thomas W. Gross, v.p.-finance & administration, secretary-treasurer; Paul O. Scheibe, v.p.-advanced technology; Stephen J. Weiss, v.p.-operations.

Directors: Clarence S. Jones, chairman; Charles W. Cantoni, William R. Hambrecht, Peter E. Jackson, Robert A. Kleist, Paul O. Scheibe.

Areas of Work: The Corporation designs and manufactures digital radiography image processing systems which utilize digital images as opposed to the conventional film used in radiology. The system processor is a computer controlled image processing system with real-time image manipulation hardware, digital data storage via magnetic disc drives, an analog video disc recorder and interface electronics for connection to X-Ray fluoroscopy systems. ADAC is also involved in the design and manufacture of nuclear medicine image processing systems which accept images from the scintillation cameras used in nuclear medicine, convert them to digital form and store them for further analysis.

Other products include radiation therapy planning systems which develop precise radiation dosemetry plans for individual cancer patients using display terminals; X-Ray products, and research and development.

Transfer Agent(s):

Union Bank
3810 Wilshire Boulevard
Los Angeles, California 90010

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADAC (NASDAQ)

Number of Stores: (at fiscal year end)

1981	443	1979	247
1980	349		

Plant Footage:

1981	130,000 sq. ft.	1980	130,000

Sales and Earnings

	Net Sales	Net Income‡
1981	$ 22,943,000	$ 220,000
1980	18,782,000	880,000
1979	12,923,000	1,278,000
1978	7,823,000	1,039,000
1977	4,898,000	437,000

	No. of Com. Shares #	Earn. per Share ‡ #
1981	3,261,000	$ 0.07
1980	2,636,000	0.33
1979	1,964,000	0.65
1978	786,000	1.22
1977	662,000	0.51

‡ Including extraordinary gains of $401,0000 ($0.25 per share) in 1979, $440,000 ($0.57 per share) in 1978 and $203,000 ($0.31 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalent outstanding.

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$ 15,096,000	$ 4.63
1980	7,443,000	2.82
1979	2,869,000	1.46

‡ Based on the weighted average number of common shares and common share equivalent outstanding.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 22,943	$ 18,782
Cost of sales	11,606	9,401
Expenses	11,514	7,550
Interest expense	320	—
Interest income	(333)	221
Income (loss) before taxes	$ (164)	$ 1,610
Income taxes (credit)	(384)	730
Net Income	$ 220	$ 880

* Included in Costs and Expenses, Depreciation and Amortization: $941,000 in 1981 and $574,000 in 1980.

Assets
(000's)

As at Sept. 30	1981	1980
Cash	$ 295	$ 177
Accts. receiv., net	9,505	4,850
*Inventories	9,354	6,024
Prepaid expenses	137	153
Current Assets	$ 19,291	$ 11,204
#Fixed assets	3,988	2,093
Total Assets	$ 23,279	$ 13,297

Liabilities
(000's)

Notes payable	$ 2,100	$ 1,500
Long-term debt, curr.	158	101
Accts. payable	2,380	1,636

Accrued payroll	1,260	616
Income taxes	369	932
Deferred serv. rev.	710	427
Other accrued liab.	696	313
Curr. Liabilities	$ 7,673	$ 5,525
Long-term debt	510	329
+Common stock	13,534	6,101
Retained earnings	1,562	1,342
Total Liabilities & Shareholders' Equity	$ 23,279	$ 13,297

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to sales	—	8.57
%Net Income to Sales	0.96	4.69
%Net Income to Equity	1.46	11.82
Sales to Inventories	2.45	3.12
Working Capital	$11,618,000	$5,679,000
Current Ratio	2.51	2.03
Shareholders' Equity	$15,096,000	$7,443,000

Adage, Inc.

(46.4% owned by American Research and Development Division of Textron Inc.

One Fortune Drive
Billerica, Massachusetts 01821
(617) 667-7070

Officers: Richard N. Spann, president; Rattan L. Dhar, Brijeshwari Prasad, Frederick E. Shirk, Seymour Yalen, v.p.'s; John P. Cunningham, v.p. & treasurer; Richard J. Testa, clerk.

Directors: Harlan E. Anderson, Charles J. Coulter, Jr., William Wolfson, Richard N. Spann, Michael J. Wozny.

Areas of Work: Manufactures, develops and sells interactive computer graphics systems and subsystems, primarily for use in problem solving through interaction with computer generated graphics displays.

Subsidiaries:

Adage S.p.A. (Italy)
Adage International Sales Corp. (DISC)

Adage GmbH
Ritterbrunnen F
3300 Braunschweig
West Germany

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADGE (NASDAQ)

Number of Employees:

1981	311	1978	130
1980	N/A*	1977	104
1979	157		

Plant Footage:

1981	124,500 sq. ft.	1978	44,000
1980	65,500	1977	44,000
1979	54,000		

* Not Available.

Sales and Earnings

	Net Sales	Net Income †
1981	$ 13,690,591	$ 834,675
1980	8,714,915	611,972
1979	6,288,341	451,493
1978	5,177,496	809,942
1977	4,615,846	588,861

	No. of Com. Shares ‡	Earn. per Share †#
1981	1,142,266	$ 0.71
1980	1,136,022	0.54
1979	1,125,522	0.40
1978	1,182,970	0.63
1977	1,182,970	0.45

* 53 weeks.
† Including extraordinary gains of $391,000 ($0.49 per share) in 1978 and $269,000 ($0.34 per share) in 1977.
‡ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and special class common stock outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,146,217	$ 2.75
1980	2,298,750	2.02
1979	1,671,278	1.48
1978	875,584#	0.78
1977	125,642#	0.11

‡ Adjusted to reflect stock split.
# After allowing for preferred stock at stated value.

Income Account *

Year ended	3/28/81	3/29/80
Net sales	$ 13,690,591	$ 8,714,915
Service contracts	2,213,017	1,563,917
Total operating revenues	$ 15,903,608	$ 10,278,832
Cost of sales	9,542,000	5,884,307
Expenses	4,309,987	2,992,974
Interest expense	458,748	232,950
Other expense (income)	6,098	(5,571)
Income before taxes	$ 1,586,775	$ 1,174,172
Income taxes	752,100	562,200
Net Income	$ 834,675	$ 611,972

* Included in Costs and Expenses, Depreciation and Amortization: $295,804 in 1981 and $219,121 in 1980.

Assets

As of	3/28/81	3/29/80
Cash	$ 429,556	$ 219,505
Accts. receiv., net	3,880,377	3,495,392
*Inventories	4,130,541	2,323,349
Prepaid expenses	351,031	188,356
Current Assets	$ 8,791,505	$ 6,226,602
#Fixed assets	1,229,872	823,003
Total Assets	$ 10,021,377	$ 7,049,605

Liabilities

Line of credit	$ 1,165,000	$ 420,000
Long-term debt, curr.	245,222	179,755
Accts. payable	2,018,195	1,136,193
Accrued empl. compens.	601,717	430,378
Accruals	399,753	305,313
Inc. taxes pay.	600,850	297,735
Deferred inc. taxes	95,958	280,385
Cust. deposits inc.	320,641	224,039
Curr. Liabilities	$ 5,447,336	$ 3,273,798
Long-term debt	1,155,932	1,246,485
Deferred inc. taxes	128,883	63,869
Deferred inc. tax credits	143,009	116,703
+ Common stock	114,227	75,735
Add. paid-in capital	1,133,850	1,159,550
Retained earnings	1,898,140	1,063,465
Total Liabilities & Shareholders' Equity	$ 10,021,377	$ 7,049,605

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.98	11.42
%Net Income to Revenues	5.25	5.95
%Net Income to Equity	26.53	26.62
Working Capital	$3,344,169	$2,952,804
Current Ratio	1.61	1.90
Shareholders' Equity	$3,146,217	$2,298,750

Adams-Russell Co., Inc.

1380 Main Street
Waltham, Massachusetts 02154
(617) 890-2540

Officers: Gerald J. Adams, chairman of the board & chief executive officer; John J. Lynch, president & chief operating officer; David J. McLachlan, v.p., treasurer & secretary; Michael Alfieris, v.p. & president-Digital Processing Division; Joseph S. Batal, v.p.-industrial & human relations; James Connolly, v.p. & president-Anzac Division; Richard S. Finke, v.p. & president-Micro-Tel Corporation; Raymond E. Fredrick, Jr., group v.p.-Microwave Electronics; William C. Henchy, v.p. & president-CATV Division; Trevor Lambert, v.p.-corporate development; Harold H. Leach, v.p. & president-Antenna & Microwave Division; Sidney K. Whiting, group v.p.-Telecommunications; Kennett F. Burnes, clerk.

Directors: Gerald J. Adams, Peter A. Brooke, George B. Foote, Jeptha H. Wade, Raymond E. Fredrick, Jr., John J. Lynch; John G. Mulvany, Jean N. Tariot, George H. Gage.

Areas of Work: Designs and manufactures microwave products and digital systems. Owns and operates CATV and TV broadcast properties.

Divisions and Subsidiaries:

Microwave Products

Radio-microwave components for signal processing distribution and electronic intelligence collection, radar and aerospace electronics; antennas, waveguide and coaxial cable assemblies; fabrication of electronic packaging.

Anzac Electronics
80 Cambridge Street
Burlington, Massachusetts 02154
(617) 273-3333

22 Florida Avenue
Bangor, Maine 04401
(287) 947-0531

Antenna and Microwave Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-5210

Brazonics Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-2280

Parisi Associates Division
280 Bear Hill Road
Waltham, Massachusetts 02154

Micro-Tel Corporation
6310 Blair Hill Lane
Baltimore, Maryland 21209
(301) 823-6227

Microwave Products, Inc.
9533 Irondale Avenue
Chatsworth, California 91311
(213) 882-3434

Digital Systems

Digital signal processing systems, hardware and software; reconnaissance and intelligence systems analysis and design; digital communications techniques.

Adams-Russell Co., Inc.

Stein Associates Division
280 Bear Hill Road
Waltham, Massachusetts 02154
(617) 891-4700

Telecommunications
Operates cable TV services in Maine, New York, Massachusetts, Arkansas and Missouri reaching 64,700 cable TV subscribers; and Television Station WYTV, a Youngstown, Ohio ABC affiliate.

WYTV
3800 Shady Run Road
Youngstown, Ohio 44502
(216) 783-2930

A-R Telecommunications Division
1380 Main Street
Waltham, Massachusetts 02154
(617) 890-2540

Acquisition(s):

Micro-Tel Corporation (July 9, 1981)
6310 Blair Hill Lane
Baltimore, Maryland 21209
(301) 823-6227
Manufactures microwave surveillance receivers, and signal generation and measuring equipment.

Microwave Products, Inc. (September 29, 1981)
9533 Irondale Avenue
Chatsworth, California 91311
(213) 882-3434
Develops and manufactures a line of flat plate array antennas and wave-guide/transmission line assemblies for the missile and aerospace markets.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02110

Stock Exchange(s): American

Ticker Symbol: AAR

Plant Footage:

1981	237,000 sq. ft.	1978	163,000
1980	170,000	1977	163,000
1979	170,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 59,937,000	$ 5,108,000
1980	46,723,000	3,568,000
1979	35,974,000	2,435,000
1978	30,168.000	1,684,000
1977	23,657,000	1,425,000

	No. of Com. Shares #	Earn per share #
1981	3,955,000	$ 1.29
1980	3,512,000	1.02
1979	3,289,000	0.74
1978	3,240,000	0.52
1977	3,226,000	0.44

‡ Restated to include operations of companies acquired on a pooling of interest basis.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Electronic products	$ 45,869,000	$ 35,172,000
Telecommunications	14,068,000	11,551,000
Total	$ 59,937,000	$ 46,723,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.08	30% ‡	—
1979	0.057	40% +	—
1978	0.047	—	—
1977	0.019	—	—

‡ Declared Oct., 1980.
+ Declared Oct., 1979.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 28,883,000	$ 7.30
1980	23,740.000	6.76
1979	13,779,000	4.19
1978	11,338000	3.50
1977	9,816,000	3.04

† Restated.
‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1981	1980 ‡
Net sales	$ 59,937,400	$ 46,722,900
Cost of sales	37,317,300	29,052,600
Expenses	13,567,600	10,237,300
Interest expense	1,134,600	1,308,800
Interest & other inc.	(945,400)	(308,500)
Income before taxes	$ 8,863,300	$ 6,432,700
Income taxes	3,755,200	2,864,800
Net Income	$ 5,108,100	$ 3,567,900

* Included in Costs and Expenses, Depreciation and Amortization: $3,060,800 in 1981 and $2,580,400 in 1980.
‡ Restated.

Assets

As of Sept 30	1981	1980 †
Cash	$ 3,726,000	$ 6,604,800
Short term invest.	1,518,000	—
Receiv., net	8,229,600	7,737,200
Long-term contr. not yet billed	19,100	118,600
*Inventories	10,675,200	8,370,000
Prepaid expenses	1,018,300	584,700
Current Assets	$ 25,186,700	$ 23,415,300
#Fixed assets	28,604,900	16,740,800
Other assets	3,163,900	3,398,400
Total Assets	$ 56,955,500	$ 43,554,500

Liabilities

	1981	1980 †
Notes payable	$ 2,943,900	$ 1,197,600
Accts. Payable	3,709,500	2,235,500
Accruals	5,340,500	4,150,600
Income taxes	890,600	823,500
Curr. Liabilities	$ 12,884,500	$ 8,407,200
Deferred inc. taxes	1,262,400	679,600
Notes payable	13,562,700	10,398,500
Accrued deferred comp.	362,800	329,300
+ Common stock	2,050,800	2,002,700
Add. paid-in capital	7,200,600	6,921,800
Retained earnings	19,915,100	15,130,900
Treas. stock	(283,400)	(315,500)
Total Liabilities & Shareholders' Equity	$ 56,955,500	$ 43,554,500

‡ Restated
* At lower of average cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	14.79	13.77
%Net Income to Sales	8.52	7.64
%Net Income to Equity	17.69	12.86
Sales to Inventories	5.61	5.58
Working Capital	$12,302,200	$15,008,100
Current Ratio	1.95	2.79
Shareholders' Equity	$28,883,100	$27,739,900

Addmaster Corporation

416 Junipero Serra Drive
San Gabriel, California 91776
(213) 285-1121

Officers: John C. Clary, president, chief exec. officer & treasurer; Milton V. Scozzafava, Harland W. Gerds, Larry K. Wirtz, v.p's; Grace E. Joyner, secretary & asst. treasurer; Jennie H. Slingmeyer, asst. sec.

Directors: Edward R. Chilcott, John G. Clary, Arthur J. Damschen, Jr., Harland W. Gerds, Patricia Jean Clarke.

Areas of Work: Manufactures and markets electronic printing and display calculators, electric adding machines, cash registers, electronic bank teller machines, digital read-out printers and optical paper tape readers.

Subsidiaries:

Addmaster Systems, Inc.
Addmaster Export Corporation

All at:

416 Junipero Serra Drive
San Gabriel, California 91776

Clary Ltd.
12-14 Lower Addiscombe Road
Croydon, Surrey CR96AG
London, England

Transfer Agent(s):

Union Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADDC (NASDAQ)

Number of Employees:

1981 105

Plant Footage:

1981 . . . . . . 123,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1981	$ 5,228,249	$ (1,009,933)
1980	7,270,064	(497,108)
1979	8,385,085	185,686
1978	9,090,991	112,936
1977	9,648,881	172,115

	No. of Com. Shares	Earn. per Share ‡
1981	1,331,920	$ —
1980	1,325,420	—
1979	1,324,120	0.14
1978	1,312,120	0.09
1977	1,312,920	0.13

(Loss)
+ Includes other income.
‡ Based on average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,843,09,	$ 2.89
1980	4,848,657	3.66
1979	5,344,115	4.04
1978	5,139,139	3.92
1977	5,028,000	3.83

Income Account *

Year ended May 31	1981	1980
Net sales	$ 5,228,249	$ 7,270,064
Cost of sales	3,948,817	5,221,129
Expenses	2,088,583	2,530,331
Interest expense	200,782	128,712

	1981	1980
Loss before taxes	$ (1,009,933)	$ (610,108)
Tax credit	—	(113,000)
Net Loss	$ (1,009,933)	$ (497,108)

* Included in Costs and Expenses, Depreciation: $161,299 in 1981 and $256,076 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 282,859	$ 325,973
Accts. receiv., net	1,023,181	1,161,168
* Inventories	3,514,583	3,906,002
Prepaid expenses	95,6826	101,587
Current Assets	$ 4,916,305	$ 5,494,730
# Fixed Assets	1,217,479	1,298,699
Other assets	92,327	104,951
Total Assets	$ 6,226,111	$ 6,898,380

Liabilities

	1981	1980
Notes payable	$ 200,000	$ 475,000
Long-term debt, curr.	73,640	263,953
Accts. payable	546,143	644,471
Accruals	119,040	184,057
Other liabilities	84,1120	50,675
Curr. Liabilities	$ 1,022,967	$ 1,648,156
Long-term debt	1,360,045	431,567
+Common stock	133,712	133,062
Add. paid-in capital	444,531	440,806
Retained earnings	3,264,856	4,274,789
Total Liabilities & Shareholders' Equity	$ 6,226,111	$ 6,898,380

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
Sales to Inventories	1.49	1.86
Working Capital	$3,893,338	$3,876,574
Current Ratio	4.81	3.40
Shareholders' Equity	$3,843,099	$4,848,657

Advance Ross Corporation

111 W. Monroe Street
Chicago, Illinois 60603
(312) 346-9126

Officers: Arthur S. Bowes, Jr., chairman of the board; Harvey E. Campbell, executive v.p.-finance & treasurer; Harve A. Ferrill, president; Constance Schirmer, secretary.

Directors: Henry C. Buckingham, Arthur S. Bowes, Jr. J. Patrick Lannan, Harvey E. Campbell, Harve A. Ferrill, David Michaelson, Maurice J. O'Brien.

Areas of Work: Engaged in the manufacture and sale of transportation products, metal fabrication, including the manufacturing, distribution and installation of electrostatic precipitators for pollution control; and the development of mineral properties in Colorado and Utah.

Electronics Divisions & Subsidiaries:

Advance Ross Steel Co.
Longview, Texas
Manufacturer of electro-static precipitators and engaged in metal fabrication.

Advance Ross Electronics Corporation
Ad/Ross Corporation
AMI Industries, Inc. (96% owned)
AMIDISC, Inc.
Utah Shale Land & Minerals Corporation
(24% owned)

Transfer Agent(s):

Continental Illinois National Bank
and Trust Company of Chicago
30 North LaSalle Street
Chicago, Illinois 60693

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AROS (NASDAQ)

Number of Employees:

1981	346	1978	700
1980	409	1977	625
1979	584		

Plant Footage:

1981	285,710 sq. ft.	1978	501,110
1980	279,870	1977	501,110
1979	501,110		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 23,693,000	$ 1,019,000
1980	27,162,000	1,353,000
1979	25,641,494	710,838
1978	19,374,147	(106,784)
1977	20,172,998	2,259,029

	No. of Com. Shares	Earn. per Share +
1981	3,340,820	$ 0.30
1980	3,340,820	0.39
1979	3,340,820	0.20
1978	3,340,820	—
1977	3,340,820	0.66

(Loss)
‡ Of continuing operations only.
+ Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Transportation prod.	$ 17,694,000	$ 16,505,000
Metal fabrication	5,999,000	10,657,000
Total	$ 23,693,000	$ 27,162,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 16,748,000	$ 5.01
1980	15,762,000	4.72
1979	14,367,493	4.30
1978	13,683,476	4.10
1977	13,730,215	4.11

‡ After allowing for preferred stock at redemption value of $27.50 per share

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 23,693,000	$ 27,162,000
Cost of sales	20,244,000	22,483,000
Other income	(397,000)	(196,000)
Expenses	2,569,000	2,388,000
Interest expense	214,000	655,000
Interest income	(697,000)	(306,000)
Inc. before taxes	$ 1,760,000	$ 2,138,000
Income taxes	691,000	904,000
Minority interest	(364,000)	(148,000)
Inc. from cont. oper.	$ 1,383,000	$ 1,382,000
Loss from discont. oper.	(364,000)	(29,000)
Net Income	$ 1,019,000	$ 1,353,000

*Included in Costs and Expenses, Depreciation: $462,000 in 1981 and $465,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 419,000	$ 927,000
Temp. invest.	5,151,000	831,000
Accts. receiv., net	3,302,000	6,094,000
Note receivable	234,000	556,000
Refundable inc. taxes	58,000	—
*Inventories	4,634,000	6,136,000
Prepaid expenses	254,000	410,000
Current Assets	$ 14,052,000	$ 14,954,000
Investments & other assets	5,506,000	5,963,000
# Fixed assets	2,399,000	2,399,000
Total Assets	$ 21,957,000	$ 23,316,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 123,000	$ 100,000
Accts. payable	960,000	1,236,000
Accruals	1,889,000	1,366,000
Billings in excess of costs	106,000	568,000
Income taxes	—	534,000
Curr. Liabilities	$ 3,078,000	$ 3,804,000
Long-term debt	739,000	2,372,000
Deferred inc. taxes	503,000	482,000
Minority interest	170,000	177,000
+ Preferred stock	1,014,000	1,014,000
+ + Common stock	334,000	334,000
Add. paid-in capital	5,193,000	5,193,000
Retained earnings	11,168,000	10,182,000
Treasury stock	(242,000)	(242,000)
Total Liabilities & Shareholders' Equity	$ 21,957,000	$ 23,316,000

*At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $25 par value; 5% cumulative.
+ + $0.10 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	5.83	8.21
Sales to Inventories	5.11	4.43
Working Capital	$10,974,000	11,150,000
Current Ratio	4.57	3.93
Shareholders' Equity	$17,467,000	16,481,000

Advanced Micro Devices, Inc.

901 Thompson Place
Sunnyvale, California 94086
(408) 732-2400

Officers: W.J. Sanders III, chairman of the board, president, & chief executive officer; James Downey, v.p.-MOS Operations Div. mgr.; Sven Simonsen, sr. v.p. & technical director; Richard Previte, sr. v.p.-finance & treasurer; George M. Scalise, sr. v.p. chief adm. officer; Marvin D. Burkett, v.p. & controller; Steve Zelencik, v.p.-mktng.; Thomas A. Skornia, v.p.-corporate services, general counsel, & secretary; Anthony Holbrook, sr. v.p.-oper. mgr.; Maurice Chidlow, v.p. Bipolar Mem. div.; Gene Connor, v.p.-Bipolar operations; Stan Winvick, v.p. human res.

Directors: W.J. Sanders III, chairman, R. Gene Brown, R. Michael Shanahan, Ulrich Haier, Richard H. Jenrette.

Areas of Work: Designs, develops, manufactures and markets comp[illegible] monolithic integrated circuits.

Subsidiaries:

Advanced Micro Devices Mikro-Electronik GmbH, Germany
Advanced Micro Devices Sdn. Bhd., Malaysia
Advanced Micro Devices Export Sdn. Bhd., Malaysia
Advanced Micro, Ltd., U.S.A.
Advanced Micro Devices U.K.(Limited), England
Advanced Micro Devices SA, France
Advanced Micro Devices, SRL, Italy
Advanced Micro Devices K.K., Japan
Advanced Micro Devices (Philippines) Inc., Manila
AMD Properties, Inc., U.S.A.
Advanced Micro Devices Overseas Corporation, U.S. and Belgium
Advanced Micro Devices Export Corporation,U.S.A.
Advanced Micro Computers, Inc., U.S.A.
Advanced Micro Devices, A.B., Sweden

Advanced Micro Devices, Inc.

Transfer Agent(s):

Bank of America, NT & SA
P.O. Box 37002
San Francisco, California 94137

Bank of America, NT & SA
P.O. Box 3210
Church Street Station
New York, New York 10008

Stock Exchange(s): New York

Ticker Symbol: AMD

Number of Employees:

1981	9,904	1978	6,618
1980	9,915	1977	4,523
1979	7,976		

Plant Footage:

1980	955,000 sq. ft.	1978	322,280
1979	458,000	1977	278,280

Sales and Earnings

	Net Sales	Net Income
1982	$ 281,580,000	$ 8,950,000
1981	309,391,000	24,684,000
1980	225,593,000	23,277,000
1979	148,276,000	10,955,000
1978	92,331,000	5,037,000

	No. of Com. Shares ×	Earn. per Share ×
1982	16,291,000	$ 0.55
1981	15,894,000	1.55
1980	15,179,000	1.53
1979	14,790,000	0.74
1978	12,783,000	0.39

× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	100%	—
1980	—	50%	—
1979	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 131,974,000	$ 8.10
1981	118,600,000	7.46
1980	87,513,000	5.77
1979	57,534,000	3.89
1978	45,016,000	3.52

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	3/29/81	3/30/80
Net sales	$ 309,391	$ 225,593
Cost of sales	171,113	115,967
Expenses	99,859	72,219
Interest expense	1,844	159
Income before taxes	$ 36,575	$ 37,248
Income taxes	11,891	13,971
Net Income	$ 24,684	$ 23,277

* Included in Costs and Expenses, Depreciation and Amortization: $10,087,000 in 1980.

Assets
(000's)

As of	3/29/81	3/30/80
Cash & cert. of deposit	$ 12,642	$ 12,307
Accts. receiv., net	62,241	46,348
* Inventories	29,246	22,019
Prepaid expenses & inc. taxes	12,155	9,590
Current Assets	$ 116,284	$ 90,264
# Fixed assets	107,313	73,506
Other assets	1,097	986
Total Assets	$ 224,694	$ 164,756

Liabilities
(000's)

Notes payable	$ 5,471	$ 4,611
Long-term debt, curr.	978	890
Accts. payable	22,194	23,129
Accruals	19,023	17,549
Deferred income	8,902	7,237
Income taxes	3,549	2,797
Curr. Liabilities	$ 60,117	$ 56,213
Long-term debt	28,954	14,517
Deferred inc. taxes	17,023	6,513
+ Common stock & add. paid-in capital	48,793	42,314
Retained earnings	69,807	45,199
Total Liabilities & Shareholders' Equity	$ 224,694	$ 164,756

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.82	16.51
%Net Income to Sales	7.98	10.32
%Net Income to Equity	20.81	26.60
Sales to Inventories	10.58	10.25
Working Capital	$ 56,167,000	$ 34,051,000
Current Ratio	1.93	1.61
Shareholders' Equity	$ 118,600,000	$ 37,513,000

Advent Corporation

195 Albany Street
Cambridge, Massachusetts 02139
(617) 661-9500

Officers: Peter J. Sprague, chairman of the board; Bernard Mitchell, president & chief executive officer; Nicholas J. Amdur, v.p.-operations; Thomas B. Cheek, v.p.-engineering; Thomas A. Floerchinger, v.p.-finance & treasurer; Fred Goldstein, v.p.-marketing.

Directors: Peter J. Sprague, chairman; Bernard Mitchell, I. Townsend Burden, III; Nolan K. Bushnell, Joseph S. Farland, Robert D. vanRoijen, Jr.

Areas of Work: Manufacturers of "home-entertainment electronics" including loudspeaker systems, FM radios. Also engaged in the commercial manufacture and sale of Video-Beam projection color television sets.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADVN (NASDAQ)

Number of Employees:

1980	433	1977	602
1979	396	1976	473
1978	631		

Plant Footage:

1980	224,000 sq. ft.	1978	220,000
1979	245,000		

NOTE: Since March 17, 1981 the company has been operating as a debtor in possession under Chapter 11 of the bankruptcy law.

Sales and Earnings

	Net Sales	Net Income +
1980	$ 30,683,726	$ (2,228,840)
1979	38,788,665	(2,586,114)
1978	35,865,073	2,285,978
1977	27,983,037	804,137
1976	24,342,832	227,442

	No. of Com. Shares	Earn. per Share # +
1980	2,580,274	$ —
1979	2,580,273	—
1978	2,580,273	0.88
1977	2,634,273	0.31
1976	1,934,288	0.12

(Loss)
+ Including extraordinary credits $338,940 ($0.14 per share) in 1979, $959,000 ($0.37 per share) in 1978, $410,000 ($0.16 per share) in 1977, and $109,000 ($0.06 per share) in 1976.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 3,380,892	$1.31
1979	5,609,724	2.17
1978	8,594,778	3.33
1977	6,283,850	2.39
1976	813,392	0.42

Income Account *

Year ended	3/29/80	3/31/79
Net sales	$ 30,683,726	$ 38,788,665
Cost of sales	22,645,008	29,251,609
Expenses	9,528,222	10,658,635
Interest expense	848,336	803,475
Prov. for relocation	(109,000)	1,000,000
Net Loss	$ (2,228,804)	$ (2,925,054)
Extraord. credit	—	338,940
Net Loss & extraord. credit	$ (2,228,804)	$ (2,586,114)

* Included in Costs and Expenses, Depreciation and Amortization: $462,301 in 1980 and $1,344,678 in 1979.

Assets

As of	3/29/80	3/31/79
Cash	$ 242,594	$ 71,729
Accts. receiv., net	6,019,703	7,665,594
* Inventories	5,988,557	9,090,854
Prepaid expenses	248,475	314,379
Current Assets	$ 12,499,329	$ 17,142,556
# Fixed assets	949,926	1,113,158
Total Assets	$ 13,449,255	$ 18,255,714

Liabilities

Notes payable	$ 3,097,867	$ 5,173,833
Accts. payable	4,524,672	5,268,196
Accruals	1,445,824	2,203,961
Curr. Liabilities	$ 9,068,863	$ 12,645,990
+ Common stock	258,027	258,027
Add. paid-in capital	8,150,361	8,150,353
Retained earnings (deficit)	(4,628,556)	(2,399,716)
Treasury stock	(398,940)	(398,940)
Total Liabilities & Shareholders' Equity	$ 13,449,255	$ 18,255,714

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Sales	7.26	—
%Net Income to Equity	65.92	—
Sales to Inventories	5.12	4.27
Working Capital	$ 3,430,466	$ 4,496,566
Current Ratio	1.38	1.36
Shareholders' Equity	$ 3,380,892	$ 5,609,724

AEL Industries, Inc.

306 Richardson Road
Montgomeryville, Pennsylvania 18936
(215) 822-2929

Mailing address:

P.O. Box 552
Landsdale, Pennsylvania 19446

Officers: Conrad J. Fowler, chairman; Dr. Leon Riebman, president and chief executive officer; George King, v.p.-finance & adm.; John F. Sharkey, v.p.-planning; John R. Cox, secretary & corporate counsel; Jesse H. Riebman, v.p., treasurer and assistant secretary; Raymond J. Gutowski, v.p. & controller; Frederick D. Lipman, Pamela Brown Dizikes, asst. secretaries.

Directors: Conrad J. Fowler, chairman; Leon Riebman, Donald H. Miller, Jr., Grinnell Morris, Nathan Cohn, Lloyd W. Moffit.

Areas of Work: Designs and manufactures electronic equipment and systems consisting of electronic counter-measures, surveillance and other communications and process systems and equipment. Also owns and operates cable television systems serving 41,876 subscribers.

Subsidiaries:

American Electronic Laboratories, Inc.
306 Richardson Road
Montgomeryville, Pennsylvania 18936

UltraCom, Inc.
306 Richardson Road
Montgomeryville, Pennsylvania 18936

Affiliates:

AEL Israel Limited (37% owned)
51 Hayarkon Street
Bene Baraq, Israel

Transfer Agent(s):

Provident National Bank and Girard Bank
Philadelphia, Pennsylvania

Girard Trust Bank
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AELNA (NASDAQ)

Number of Employees:

1981	1,264	1978	1,173
1980	1,338	1977	1,062
1979	1,391		

Plant Footage:

1981	472,000 sq. ft.	1978	416,500
1980	480,000	1977	387,600
1979	470,500		

Sales and Earnings

	Net Sales +	Net Income +	No. of Com. Shares †	Earn. per Share #
1982	$ 54,224,000	$ (4,722,000)	1,936,000	$ —
1981	54,469,000	(3,993,000)	1,910,659	—
1980*	50,899,000	(177,000)	1,874,935	—
1979	55,893,000	1,998,000	1,872,448	1.06
1978	47,714,000	1,777,000	1,871,673	0.96

(Loss)
* 53 weeks.
† Adjusted to reflect stock dividends.
+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	—	—
1980	—	5%	—
1979	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1982	$ 3,220,000	$ 1.66
1981	7,865,677	4.12
1980	11,515,176	6.14
1979	11,697,153	6.25
1978	9,703,780	5.18

# Adjusted to reflect stock dividends.

Income Account *

Year ended	2/26/82	2/27/81
Net sales	$ 54,224,000	$ 54,469,130
Cost of sales	42,153,000	40,151,219
Expenses	12,218,000	9,967,415
Other expense	4,692,000	4,631,400
Income (loss) bef. taxes	$ 4,839,000	$ (280,904)
Tax credit	(46,000)	(454,0000
Minority interest	(71,000)	(305,000)
Inc.-(loss) cont. oper.	$ (4,722,000)	$ 478,096
Loss-discont. oper.	—	(4,471,595)
Net Loss	$ (4,722,000)	$ (3,993,499)

* Included in Costs and Expenses, Depreciation and Amortization: $3,153,000 in 1980 and $2,409,772 in 1981.

Assets

As of	2/26/82	2/27/81
Cash	$ 206,000	$ 90,20[illegible]
Receivable, net	19,968,000	20,659,960
*Inventories	3,956,000	3,639,883
Prepaid expenses	317,000	368,001
Current Asset	$ 24,447,000	$ 24,758,051
Investments	2,278,000	2,239,803
#Fixed assets	32,660,000	26,595,634
Other assets	847,000	[illegible]50,358
Total Assets	$ 60,232,000	$ 53,953,846

Liabilities

Notes payable	$ 2,425,000	$ 8,000,000
Long-term debt, curr.	962,000	3,055,585
Accts. payable	5,017,000	5,299,379
Advance deposits	231,000	417,374
Accruals	5,830,000	5,243,641
Curr. Liabilities	$ 14,465,000	$ 22,015,979
Long-term debt	24,524,000	20,689,261
Subord. deben.	3,023,000	3,336,441
Deferred inc. taxes	—	46,488
Preferred stock	15,000,000	—
+Common stock:		
Class A	1,761,000	1,723,136
Class B	244,000	256,077
Add. paid-in capital	5,902,000	5,851,532
Retained earnings (deficit)	(4,364,000)	357,748
Treasury stock	(323,000)	(322,816)
Total Liabilities & Shareholders' Equity	$ 60,232,000	$ 53,953,846

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	13.71	14.96
Working Capital	$9,982,000	$2,742,072
Current Ratio	1.69	1.12
Shareholders' Equity	$3,220,000	$7,865,677

Aeroflex Laboratories Incorporated

35 South Service Road
Plainview, New York 11803
(516) 694-6700

Officers: Milton Brenner, president; Richard Casper, v.p.-engineering; Chester Gilbert, v.p.-Isolater Products; Jack Horowitz, v.p.-manufacturing; Jack Tusinski, v.p.-finance; Robert Ramistella, treasurer.

Directors: Julius D. Winer, chairman; Harvey R. Blau, Robert Bradley, Milton Brenner, Ernest E. Courchene, Jr., Jerome Fox, Eugene Novikoff, Louis Radler, Jack Tusinski.

Areas of Work: Engaged in the design, development and production of precision stabilization and tracking devices, radio frequency filters, helical shock and vibration isolaters, advanced semi-conductor sub-assemblies, magnetic products and electro-optical scanning devices.

Divisions and Subsidiaries:

Systems Division
Micro-electronics Hybrid Division
Magnetic Products Division

All at:

35 South Service Road
Plainview, New York 11803
(516) 694-6700

Integrated Mirosystems Division
Plainview, New York
Manufactures microelectric hybrid circuits and assemblies.

Aeroflex International, Inc.
Caguas, Puerto Rico
Produces the Isolator product line.

Aeroflex Systems Corp.
700 N. Fairfax Street
Alexandria, Virginia 22314

Huxley Envelope Corp.
Brooklyn, New York

Acquisition(s):

Filtron Co., Inc.
Old Bethpage, New York
Designs and manufactures radio frequency filters and shielded enclosures.

Transfer Agent(s):

First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): American

Number of Employees:

1981	415

Plant Footage:

1981	200,700 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 21,045,736	$ 2,080,803
1980	13,042,687	864,119
1979	10,385,757	577,402
1978	8,790,504	381,561
1977	8,182,966	556,194

Aeroflex Laboratories Incorporated

	No. of Com. Shares †	Earn. per Shares ‡ †
1981	2,437,602	$ 0.95
1980	1,705,217	0.51
1979	1,670,494	0.35

‡ Including extraordinary gain of $264,000 in 1977
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Elect. & magnetic prods.	$ 5,661,243	$ 6,874,232
Mechanical sept.	8,840,560	6,168,455
Envelopes	6,352,575	—
Other	191,358	—
Total	$ 21,045,736	$ 13,042,687

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	10%, 25% & 50%	—
1980	—	20%	—
1979	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,641,641	$ 4.46
1980	3,769,818	2.26
1979	2,906,617	1.74
1978	2,329,607	1.39
1977	1,948,046	1.16

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1981	1980
Revenues	$ 21,045,736	$ 13,042,687
Cost of revenues	13,832,349	8,990,147
Expenses	4,191,845	2,955,660
Interest expense	871,721	226,999
Other income	(252,982)	(56,238)
Income before taxes	$ 2,402,803	$ 926,119
Income taxes	322,000	62,000
Net Income	$ 2,080,803	$ 864,119

* Included in Costs and Expenses, Depreciation and Amortization: $656,579 in 1981 and $368,544 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 2,376,973	$ 451,821
Receiv., net	5,330,271	3,376,625
Refund, inc. taxes	348,246	—
* Inventories	5,681,956	2,824,060
Prepaid expenses & other assets	213,145	245,662
Current Assets	$ 13,950,591	$ 6,898,168
# Fixed assets	4,375,216	1,611,894
Deben. insur. costs	497,344	—
Intangibles	201,377	207,248
Other assets	133,243	57,393
Total Assets	$ 19,157,771	$ 8,774,703

Liabilities

Notes payable	$ 265,000	$ —
Long-term debt, curr.	169,841	317,799
Accts. payable	785,430	956,488
Accruals	1,737,742	1,403,939
Inc. taxes pay.	615,217	396,153
Curr. Liabilities	$ 3,573,230	$ 3,074,379
Long-term debt	5,655,900	1,790,506
Deferred income taxes	287,000	140,000
+ Common stock	216,189	80,994
Add. paid-in capital	7,417,429	2,761,852
Retained earnings	2,008,023	926,972
Total Liabilities & Shareholders' Equity	$ 19,157,771	$ 8,774,703

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Revenue	11.42	7.10
%Net Income to Revenues	9.89	6.63
%Net Income to Equity	21.58	22.92
Working Capital	$10,377,361	$3,823,789
Current Ratio	3.90	2.24
Shareholders' Equity	$ 9,641,641	$3,769,818

Aeronca, Inc.

200 Rodney Street
Pineville, North Carolina 28134
(704) 889-7281

Officers: Roy J. Benecchi, chairman of the board; Joe L. Miller, president & chief executive officer; John E. Hackett, v.p.-human resources; J. Lamont Crosby, v.p.-finance & chief financial officer; Bruno Morabito, group v.p.-Environmental Systems Group; Steven M. Ehlinger, v.p. & general manager-Aerospace Division; Billy C. Layton, controller; John R. Stewart, treasurer; Gordon J. Wolf, secretary.

Directors: Roy J. Benecchi, Richard M. Mock, Stuart W. Cramer, Gordon J. Wolf, Fred Carr, Joe L. Miller, Frederick R. Einsidler, George E. Griffin, Gerard A. Fulham, Barry J Schillito

Areas of Work: Engineering, development and manufacture of environmental and pollution control systems and other industrial products; manufacturer of major aircraft structural-components, jet engine components, engine nacelles and marine honeycomb products. Develops and markets software for the major microcomputers.

Divisions and Subsidiaries:

Aerospace Division

Middletown Plant
1712 Germantown Road
Middletown, Ohio 45042
(513) 422-2751

Environmental Systems Group

Air Handling Products Division
200 Rodney Street
Southland Industrial Park
Pineville, North Carolina 28134
(703) 889-7281

Agitair Division
5th and Mitchell Avenue
Lansdale, Pennsylvania 19446
(215) 855-8261

Kem-Wove Division
120 Brookford Street
Arrowood Industrial Development
Charlotte, North Carolina 28210
(704) 588-0080

Microcomputer Software Division
200 Rodney Street
Pineville, North Carolina 28134

Transfer Agent(s):

AmeriTrust of Cleveland
900 Euclid Avenue
Cleveland, Ohio 44101

Stock Exchange(s): American, Pacific

Ticker Symbol: ARN

Number of Employees:

1982	1,070	1979	1,100
1981	1,130	1978	900
1980	1,200		

Plant Footage:

1982	722,900 sq. ft.	1980	709,000
1981	735,000	1979	684,000

Sales and Earnings ×

	Net Sales +	Net Income ‡
1981	$ 79,928,000	$ (1,235,000)
1980	81,528,000	2,782,000
1979	55,580,000	343,000
1978	45,923,000	1,519,000
1977	35,277,000	1,449,000

	No. of Com. Shares †	Earn. per Share ‡†
1981	2,805,530	$ —
1980	3,111,044	0.86
1979	2,454,570	0.07
1978	2,691,454	0.53
1977	2,590,115	0.52

(Loss)
× Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
+ Of continuing operations only
† Based on the weighted average number of common shares and common share equivalents outstanding during the year.
‡ Including extraordinary gains of $1,505,000 ($0.48 per share) in 1980, $2,706,000 ($1.10 per share) in 1979, $774,000 ($0.29 per share) in 1978, $599,000 ($0.23 per share) in 1977.

Revenues By Line of Business
(000's)

	1981	1980
Aircraft, aircraft engine, aerospace & other structures	$ 53,778	$ 57,786
Environmental control systems & components	23,123	21,618
Other segments	3,027	2,124
Total	$ 79,928	$ 81,528

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 4,675,000	$ 1.67
1980	6,889,000	2.21
1979	3,990,000	1.63
1978	(31,000)	—
1977	(1,872,000)	—

(Deficiency)
† Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding during the year.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 79,928,000	$ 81,528,000
Cost of sales	67,101,000	68,380,000
Expenses	8,223,000	6,947,000
Depreciation & amortization	519,000	452,000

Interest expense	2,894,000	2,610,000
Other charges (income)	(109,000)	4,000
Lawsuit settlement	35,000	353,000
Write-off on L-1011 prog.	2,500,000	—
Income (loss) bef. taxes	$ (1,235,000)	$ 2,782,000
Income taxes	—	1,505,000
Net Income (Loss)	$ (1,235,000)	$ 1,277,000
Extraordinary gain	—	1,505,000
Net Income (Loss) & extraordinary gain	$ (1,235,000)	$ 2,782,000

* Included in Costs and Expenses, Depreciation and Amortization: $519,000 in 1981 and $452,000 in 1980.
‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 1,986,000	$ 1,153,000
Accts. receiv., net	8,832,000	12,430,000
*Inventories	11,436,000	15,802,000
Prepaid expenses	325,000	396,000
Current Assets	$ 22,579,000	$ 29,781,000
#Fixed assets	4,362,000	4,295,000
Other assets	60,000	141,000
Total Assets	$ 27,001,000	$ 34,217,000

Liabilities

Long-term debt, curr.	$ 2,602,000	$ 2,748,000
Accts. payable	7,015,000	10,386,000
Accruals	2,092,000	2,029,000
Accrued payroll	2,520,000	2,522,000
Curr. Liabilities	$ 14,229,000	$ 17,685,000
Long-term debt	5,139,000	6,898,000
+ Redeemable preferred	1,966,000	1,646,000
+ + Redeem. serial pref. shares	992,000	1,099,000
+ + + Common Stock	12,579,000	12,573,000
Add. paid-in capital	3,439,000	4,424,000
Deficit	(11,343,000)	(10,108,000)
Total Liabilities & Shareholders' Equity	$ 27,001,000	$ 34,217,000

‡ Restated.
* At standard cost, which cost is not in excess of average actual cost or net realizable, whichever is lower.
# Less accumulated depreciation.
+ $100 par value, 6%.
+ + No par value; $6 convertible.
+ + + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.41
%Net Income to Sales	—	1.57
%Net Income to Equity	—	18.54
Sales to Inventories	6.99	5.16
Working Capital	$8,350,000	$12,096,000
Current Ratio	1.59	1.68
Shareholders' Equity	$4,675,000	$ 6,889,000

Aerosonic Corporation

P.O. Box 4627
Clearwater, Florida 33518
(813) 446-5904

Officers: Herbert J. Frank, president; Richard Frank, v.p.-engineering; William Parker, v.p.-production; David S. Goldman, secretary & treasurer; Barbara Elliott, controller; John Fehn, asst. secretary.

Directors: Herbert J. Frank, David S. Goldman, Charles F. Burley, Miriam Frank, Anthony Atwell.

Areas of Work: Engaged in the research, manufacture and overhaul of aircraft instrumentation. Sells a complete line of instrumentation with altimeters representing a major portion of total sales.

Transfer Agent(s):

Aerosonic Corporation
Clearwater, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASON (NASDAQ)

Number of Employees:

1981	315	1979	253
1980	334	1978	218

Plant Footage:

1981	33,000 sq. ft.	1979	30,000
1980	33,000	1978	30,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,660,774	$ 243,885
1980	8,620,923	427,516
1979	7,124,208	255,538
1978	5,730,302	(2,022,808)
1977	5,489,435	181,994

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,985,684	$0.06
1980	3,605,784	0.12
1979	3,541,666	0.07
1978	3,546,440	—
1977	3,503,696	0.05

(Loss)
# Based on weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	2-for-1
1980	—	—	—
1979	—	—	2-for-1
1978	—	—	—
1977	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 5,695,675	$1.43
1980	5,413,470	1.50
1979	3,994,645	1.13
1978	3,726,636	1.05
1977	5,931,137	1.69

† Adjusted to reflect stock splits.

Income Account *

Year ended Jan. 31	1981	1980
Net sales	$ 8,660,774	$ 8,620,923
Cost of sales	6,402,646	6,343,346
Expenses	1,871,954	1,680,529
Interest expense	24,022	109,729
Gain (loss) on sale of assets	(15,267)	214,197
Income before taxes	$ 346,885	$ 701,516
Income taxes	103,000	274,000
Net Income	$ 243,885	$ 427,516

* Included in Costs and Expenses, Depreciation and Amortization: $284,625 in 1980 and $340,242 in 1979.

Assets

As of Jan. 31	1981	1980
Cash	$ 121,983	$ 386,389
Accts. receiv., net	1,042,137	1,303,078
Notes & other receiv.	199,319	9,485
Refundable income taxes	74,911	—
* Inventories	4,715,293	4,350,321
Prepaid expenses	40,725	46,217
Advances	27,341	94,532
Current Assets	$ 6,221,709	$ 6,190,022
# Fixed assets	1,665,540	1,451,210
Other assets	393,344	455,060
Total Assets	$ 8,280,593	$ 8,096,292

Liabilities

Notes payable	$ 175,000	$ —
Long-term debt, curr.	228,568	134,696
Accts. payable	905,154	985,050
Accruals	309,154	377,711
Income taxes	—	72,627
Deferred income taxes	22,400	—
Curr. Liabilities	$ 1,640,164	$ 1,570,084
Long-term debt	649,840	755,426
Def. inc. taxes	294,914	357,312
+ Common stock	1,594,505	795,282
Add. paid-in capital	3,174,354	3,942,013
Retained earnings	926,939	683,054
Treasury stock	(123)	(6,879)
Total Liabilities & Shareholders' Equity	$ 8,280,593	$ 8,096,292

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.01	8.14
%Net Income to Sales	2.82	4.96
%Net Income to Equity	4.28	7.90
Sales to Inventories	1.84	1.98
Working Capital	$ 4,581,545	$ 4,619,938
Current Ratio	3.79	3.94
Shareholders' Equity	$ 5,695,675	$ 5,413,470

AES Technology Systems, Inc.

140 Lively Boulevard
Elk Grove Village, Illinois 60007
(312) 437-3084

Officers: Martin T. Abrams, chairman of the board, exec. v.p. & treasurer; Lee A. Goldboss, president; Sidney A. King, secretary.

Directors: Martin T. Abrams, chairman; Lee A. Goldboss, Sidney A. King, Philip W. Colburn.

Areas of Work: An engineering firm which produces custom data recording systems. Specializes in designing machines with industry-wide applications to automatic handling, reproduction, and recording of large quantities of documents.

Transfer Agent(s):

Continental Illinois National Bank and Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AEST (NASDAQ)

Plant Footage:

1981	80,000 sq. ft.	1979	80,000
1980	80,000	1978	100,000

Sales and Earnings

	Revenues	Net Income
1981	$ 6,689,560	$ (1,084,909)
1980	12,061,026	(5,702,784)
1979	7,622,434	(1,321,931)
1978	3,451,431	(165,676)
1977	3,026,815	199,806

	No. of Com. Shares ‡	Earn. per Share ‡
1981	5,419,695	$ —
1980	4,945,528 +	—

1979	4,520,336	—
1978	4,445,992	—
1977	4,480,996	0.04

(Loss)
‡ Based on weighted average number of shares outstanding.
+ Based on the number of shares outstanding at year-end.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ (4,555,619)	$ —
1980	(4,660,022)	—
1979	712,512	0.16
1978	1,861,855	0.42
1977	2,020,079	0.45

(Deficiency)
‡ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Equip. rentals	$ 5,423,982	$ 3,962,526
Sale of equipment	1,215,533	8,097,389
Interest	50,045	—
Other income	—	1,111
Revenues	$ 6,689,560	$ 12,061,026
Cost of sales	1,232,475	10,116,329
Lease oper. expenses	2,994,386	2,513,626
Expenses	2,165,621	3,992,816
Interest expense	1,072,144	1,159,539
Loss before taxes	$ 775,066	$ (5,721,284)
Loss from investment	(809,447)	—
Gain on sale	509,604	—
Net Loss	$ 1,074,909	$ 5,721,284
Income tax (credit)	10,000	(18,500)
Net Loss	$ (1,084,909)	$ (5,702,784)

* Included in Costs and Expenses, Depreciation and Amortization: $600,398 in 1980 and $437,273 in 1979.

Assets

As of June 30	1981	1980
Cash	$ 95,647	$ 56,115
Marketable securities	607,868	—
Accts. receiv., net	652,585	1,210,138
Advances to officers & employees	140,162	114,893
Note receivable, curr.	150,000	12,500
*Inventories	154,590	1,705,879
Prepaid expenses & other assets	97,710	101,294
Current Assets	$ 1,898,562	$ 3,200,819
Rental equip.	1,449,896	1,405,232
#Fixed assets	602,521	1,718,983
Other assets	81,788	1,063,969
Total Assets	$ 4,032,767	$ 7,389,003

Liabilities

Notes payable	$ —	$ 4,900,000
Long-term debt, curr.	223,732	94,453
Accts. payable	258,702	2,734,756
Income taxes	10,000	3,079
Sundry liabilities	558,365	565,990
Curr. Liabilities	$ 1,050,799	$ 8,298,278
Long-term debt	7,537,587	3,750,747
+ Common stock	54,483	49,742
Add. paid-in capital	3,530,655	2,346,064
Retained earnings (deficit)	(8,095,394)	(7,010,485)
Treasury stock	(45,363)	(45,363)
Total Liabilities & Shareholders' Equity	$ 4,032,767	$ 7,389,003

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

AFA Protective Systems, Inc.

519 Eighth Avenue
New York, New York 10018
(212) 279-5000

Officers: Philip Kleinman, chairman & chief executive officer; Reginald C. Miller, president & chief operating officer; Robert D. Kleinman, exec. v.p., secretary & general counsel; Raymond S. Greenberger, controller & assistant secretary.

Directors: Robert S. Heller, Philip Kleinman, Alfred J. Koeppel, Reginald C. Miller, Alfred G. Seddon, Harry F. Weyher, Richard D. Kleinman, Robert K. Kleinman, Leon Sicular.

Areas of Work: Engaged in the distribution and installation of alarm devices and systems, including a time and frequency division multiplex signal transmission system. Provides central station protective services.

Divisions:

Merchants Alarm Division
270 Turnpike Street
South Easton, Massachusetts 02375
(617) 238-6665

Transfer Agent(s):

Bradford Trust Company
1 Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AFAP (NASDAQ)

Number of Employees:

1981	250	1978	240
1980	264	1977	238
1979	264		

Sales and Earnings ‡

	Sales & Revenues	Net Income
1981	$ 15,313.868	$ 853,982
1980	12,341,894	407,620
1979	9,994.4377	323,709

	No. of Com. Shares	Earn. per Share #
1981	340,422	$ 2.40
1980	404,997	1.01
1979	404,997	0.79

‡Restated to reflect change in accounting for the sale of certain security systems under fixed-price contracts from the completed-contract method to the percentage-of-completion method.
#Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.44	—	—
1980	0.44	—	—
1979	0.44	—	—
1978	0.44	—	—
1977	0.41	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 2,443,624	$ 7.18
1980	2,348,332	5.80
1979	2,118,911	5.23

‡Restated.

Income Account

Year ended Dec. 31	1981	1980 ‡
Service	$ 11,423,238	$ 10,266,255
Sales	3,728,455	2,004,306
Other income	162,175	71,333
Total income	$ 15,313,868	$ 12,341,894
Cost of sales	2,718,236	1,259,454
Cost of service	4,471,226	4,373,849
Expenses	3,493,732	3,303,315
Depreciation	1,245,528	1,191,030
Rental of signal lines	1,753,909	1,484,973
Interest expense	43,255	53,653
Income before taxes	$ 1,587,982	$ 675,620
Income taxes	734,000	268,000
Net Income	$ 853,982	$ 407,620

‡Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 177,959	$ 820,175
Marketable securities	1,521,346	274,383
Accts. & notes receiv., net	2,802,870	1,460,066
Prepaid insurance	220,616	292,040
*Inventories	453,204	182,928
Other assets	11,184	39,862
Current Assets	$ 5,187,179	$ 3,069,454
Installment materials	754,041	789,943
#Fixed assets	6,896,240	6,593,423
Other assets	89,750	129,051
Total Assets	$ 12,927,210	$ 10,581,871

Liabilities

Long-term debt, curr.	$ 117,791	$ 106,713
Accts. payable	1,759,403	1,205,118
Income taxes payable	393,276	186,058
Other accrued liabilities	655,292	722,338
Other curr. liab.	1,116,180	165,636
Curr. Liabilities	$ 4,041,942	$ 2,385,863
Long-term debt	267,446	383,438
Deferred income	5,356,699	4,597,339
Deferred inc. taxes	817,499	866,899
+ Common stock	340,422	404,997
Add. paid-in capital	661,091	786,055
Retained earnings	1,442,111	1,157,280
Total Liabilities & Shareholders' Equity	$ 12,927,210	$ 10,581,871

‡Restated.
*At lower of cost (FIFO) or market.
#Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	10.37	5.47
%Net Income to Revenues	5.58	3.30
%Net Income to Equity	34.95	17.36
Working Capital	$1,145,237	$ 683,591
Current Ratio	1.28	1.29
Shareholders' Equity	$2,443,624	$2,348,332

Akzona Incorporated

(66% owned by Akzo N.V., Netherlands)
P.O. Box 2930
Asheville, North Carolina 28802
(704) 258-5500

Officers: Claude Ramsey, chairman of the board & president; Vinson A. Parsons, vice president & controller; Harold C. Enloe, v.p.; Robert B. Polak, v.p.-corp. development; Thomas J. Troup, v.p. & treasurer; Met R. Poston, vice president & general counsel; David J. Conroy, secretary.

Officers (Brand-Rex Company): Harry Wasiele, Jr., president; Richard G. Boyle, sr. v.p. & financial officer; James E. Blake, president-Connector Group; Peter Petruchik, president-Wire & Cable Group, Phillip R. Nack, president-Abbott & Company; John J. Finnerty, president-General Circuits Company.

Directors: Harold J. Berry*, G. John Coli, Aarnout A. Loudon, Manson Meads, Edward M. O'Herron, Jr., G. Kraijenhoff, Claude Ramsey*, Thomas J. Troup, John F. Watlington, Jr., John L. Ryon, Jr., Frederick Seitz*, Heine J. Kruisinga, Betty Kennedy, John E. McConnaughy, Jr., Charles W. Coker, Jr., H.J.J. van der Werf, Adolf G. van den Bos*, Hans Gunther Zempelin.

*Member of Executive Committee.

Areas of Work: Through the Brand-Rex Company, Akzona is involved in the production of electrical and electronic connectors; multilayered, double-sided and flexible circuit boards; integrated circuit logic panels, sockets and accessories; telcommunications products and systems; electrical/electronic wire and cable; power cords and electrical connecting assemblies.

Subsidiaries:

Brand-Rex Company
Willimantic, Connecticut 06226
(203) 423-7771

Abbott & Company
Marion, Ohio

Garry Manufacturing Co.
New Brunswick,New Jersey

Nonotuck Manufacturing Company
South Hadley, Massachusetts

General Circuits Company
Rochester, New York

Pyle-National Company
Chicago, Illinois

Pyle-National of Canada, Ltd.
Mississauga, Canada

Pyle-National (U.K.) Ltd.
Nottingham, England

Teltronics Inc.
Lakeland, Florida

Brand-Rex Limited
Glenrothes, Scotland (joint venture)

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Winston-Salem, North Carolina

Stock Exchange(s): New York, Pacific, Amsterdam

Ticker Symbol: AXO

Sales and Earnings

	Net Sales	Net Income
1981	$1,187,583,000	$ 11,598,000
1980	1,054,015,000	4,877,000
1979	1,012,398,000	25,647,000
1978	868,711,000	20,832,000
1977	808,847,000	7,523,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	12,240,065	$ 0.95
1980	12,225,410	0.40
1979	12,202,874	2.10
1978	12,311,464	1.69
1977	12,458,772	0.60

‡ Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Man-made fibers	$ 503,389	$ 401,182
Salt & salt products	120,166	111,338
Wire, cable & electrical prod.	259,940	267,924
Pharmaceutical & diagnostic prod.	41,717	39,109
Industrial chemicals & products	190,562	173,359
Leather	68,224	58,241
Corporate prod. develop.	3,585	2,862
Total	$ 1,187,583	$ 1,054,015

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.80	—	—
1979	0.80	—	—
1978	0.80	—	—
1977	1.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 320,033,000	$ 26.14
1980	319,139,000	26.08
1979	323,875,000	26.49
1978	307,790,000	25.21
1977	300,287,000	24.10

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,187,583	$ 1,054,015
Other income	6,123	5,066
Total income	$ 1,193,706	$ 1,059,081
Cost of sales	960,171	860,725
Expenses	131,821	117,953
Depreciation & depletion	54,090	50,660
Interest expense	39,024	30,121
Income (loss) before taxes	$ 8,600	$ (378)
Tax credit	(2,998)	(5,255)
Net Income	$ 11,598	$ 4,877

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 7,763	$ 5,403
Marketable securities	12,258	12,268
Accts. receiv., net	161,258	166,294
Refundable income taxes	3,257	3,200
*Inventories	214,211	212,005
Prepaid expenses	2,053	3,688
Current Assets	$ 400,800	$ 402,858
# Fixed assets	409,846	412,009
Other assets	25,444	31,841
Total Assets	$ 836,090	$ 846,708

Liabilities

	1981	1980
Notes payable & long-term debt, curr.	$ 76,132	$ 81,059
Accts. payable & accruals	110,687	109,696
Income taxes	5,719	3,850
Curr. Liabilities	$ 192,538	$ 194,605
Long-term debt	245,761	250,218
Deferred credits	3,498	3,173
Deferred invest. tax credit	14,815	13,486
Deferred inc.taxes	59,445	66,087
+ Common stock	15,767	15,767
Add. paid-in capital	61,077	62,102
Retained earnings	249,786	247,980
Treasury stock	(6,597)	(6,710)
Total Liabilities & Shareholders' Equity	$ 836,090	$ 846,708

* At lower of standard cost (average) or market.
# Less accumulated depreciation and depletion.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.72	—
%Net Income to Sales	0.98	0.46
%Net Income to Equity	3.62	1.53
Sales to Inventories	5.54	4.97
Working Capital	$208,262,000	$208,253,000
Current Ratio	2.08	2.07
Shareholders' Equity	$320,033,000	$319,139,000

Alarm Products International, Inc.

24-02 40th Avenue
Long Island City, New York 11101
(212) 937-4900

Officers: Phillip DeZwirek, chairman of the board; Charles F. Eisenhardt, Jr., president & treasurer; Manuel Lopez, v.p. & secretary.

Directors: Phillip DeZwirek, chairman of the board; Charles Eisenhardt, Jr., Philip Parlato.

Areas of Work: Engaged in the manufacture and sale of burglar and fire alarm equipment to installing dealer contractors and through wholesale distributors.

Subsidiaries:

Judy-Lynn Metal Craft, Inc.
Products include: panel boards, sensor devices, impulse dialers, vibration contact devices and door cords.

PLC Electronics, Inc.
Marketing and distribution subsidiary.

Transfer Agent(s):

American Stock Transfer Company
15 William Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALPI (NASDAQ)

Number of Employees:

1981	48	1979	51
1980	48		

Plant Footage:

1981	16,000 sq. ft.	1979	16,000
1980	16,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,770,405	$ 133,971
1980 *	1,168,179	65,143
1979	2,241,784	15,546
1978	2,185,695	(29,082)
1977	2,455,736	53,360

	No. of Com. Shares	Earn. per Share +
1981	535,784	$ 0.25
1980 *	541,884	0.12
1979	559,884	0.03
1978	559,884	—
1977	559,884	0.10

(Loss)
* 5 months.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 740,781	$ 1.38
1980	613,336	1.13

Alarm Products International, Inc.

1979	566,523	1.01
1978	550,977	0.98
1977	580,059	1.04

Income Account *

Year ended Dec. 31	1981	1980 (5 months)
Net sales	$ 2,770,405	$ 1,168,179
Cost of sales	1,722,000	673,122
Loss (profit) from factory oper.	(905)	34,519
Expenses	717,175	368,697
Financial expenses	49,912	12,892
Income before taxes	$ 282,223	$ 78,949
Income taxes	148,252	14,055
Net Income	$ 133,971	$ 65,143

* Included in Costs and Expenses, Depreciation and Amortization: $30,994 in 1981 and $16,858 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 276,776	$ 54,060
Accts. receiv., net	384,229	306,854
* Inventories	757,718	601,657
Prepaid expenses	22,645	32,528
Current Assets	$ 1,441,368	$ 995,099
# Fixed Assets	208,133	220,143
Intangibles & other assets	7,828	13,155
Total Assets	$ 1,657,329	$ 1,228,397

Liabilities

Bank loans pay.	$ 154,672	$ —
Due to Lincoln Corp.	—	146,809
Notes payable	7,004	5,825
Mortg. pay., curr.	15,700	14,024
Accts. payable	392,549	300,537
Accruals & taxes	22,235	20,453
Income taxes	128,155	5,203
Deferred inc. taxes	1,632	12,998
Curr. Liabilities	$ 721,947	$ 505,849
Bank loan pay.	105,548	—
Mortg. pay.	76,253	91,953
Notes payable	10,157	11,664
Deferred inc. taxes	2,643	5,595
+ Common stock	55,988	55,988
Add. paid-in capital	296,719	296,719
Retained earnings	413,431	279,460
Treasury stock	(25,357)	(18,831)
Total Liabilities & Shareholders' Equity	$ 1,657,329	$ 1,228,397

* At lower of cost or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.19	6.76
%Net Income to Sales	4.84	5.58
%Net Income to Equity	18.09	10.62
Sales to Inventories	3.66	1.94
Working Capital	$719,421	$489,250
Current Ratio	2.00	1.97
Shareholders' Equity	$740,781	$613,336

Algorex Corporation

6901 Jericho Turnpike
Syosset, New York 11791
(516) 921-7600

Officers: Sheldon O. Newman, chairman of the board & president; Merwin Kliman, exec. v.p.; Jeffrey J. Waxweiler, president - Automated Products Division; Donald D. Shack, secretary; Manush Raship, Marvin Sleven, Martin Camen, v.p.'s.

Directors: Sheldon O. Newman, chairman; Merwin Kliman, Donald D. Shack, Jeffrey J. Waxweiler.

Areas of Work: Using computers, the company automates the design, manufacture and testing of complex systems of all kinds for companies in the electronics industry. Also, the corporation designs and manufactures miniature hybrid circuits.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-counter

Sales and Earnings

	Net Sales	Net Income‡
1981	$ 6,343,523	$ 451,915
1980	5,786,955	517,578
1979	4,236,410	342,582
1978	3,026,779	68,573
1977	3,089,157	360,655

	No. of Com. Shares#	Earn. per Share‡#
1981	2,070,671	$ 0.22
1980	1,938,445	0.27
1979	1,769,883	0.19

‡ Including extraordinary gains of $148,980 ($0.08 per share) in 1979.
# Based on the weighted average number of shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share#
1981	$ 2,906,780	$ 1.40
1980	2,217,485	1.14

# Based on the weighted average number of shares outstanding during each period.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 6,343,523	$ 5,786,955
Cost of sales	4,422,410	4,125,875
Expenses	1,405,703	1,162,828
Other income	(115,979)	(64,944)
Income before taxes	$ 631,389	$ 563,196
Income taxes	179,474	45,618
Net Income	$ 451,915	$ 517,578

* Included in Costs and Expenses, Depreciation and Amortization: $382,543 in 1981 and $363,034 in 1980.

Assets

As at June 30	1981	1980
Cash	$ 880,881	$ 848,927
Accts. receiv., net	1,798,068	1,497,986
Other curr. assets	179,807	135,823
Current Assets	$ 2,858,756	$ 2,482,736
#Fixed assets	592,706	313,366
Cap. leased equip.	1,382,840	904,902
Other assets	80,389	54,151
Total Assets	$ 4,914,691	$ 3,755,155

Liabilities

Cap. lease oblig., curr.	$ 270,648	$ 317,081
Accts. payable	293,453	359,313
Accruals	164,407	182,037
Income taxes	131,322	31,232
Curr. Liabilities	$ 859,830	$ 889,663
Cap. lease oblig.	1,093,057	648,007
Deferred inc. taxes	55,024	—
+ + Common stock	20,464	18,722
Add. paid-in capital	3,132,560	2,859,722
Deficit	(142,793)	(594,708)
Treasury stock	(13,741)	(13,741)
Receiv. from emp.	(89,710)	(52,510)
Total Liabilities & Shareholders' Equity	$ 4,914,691	$ 3,755,155

# Less accumulated depreciation and amortization.
+ $0.01 par value.
+ + $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.95	9.73
%Net Income to Sales	7.12	8.94
%Net Income to Equity	15.55	23.34
Working Capital	$1,998,926	$1,593,073
Current Ratio	3.32	2.79
Shareholders' Equity	$2,906,780	$2,217,485

Allegheny International

(formerly Allegheny Ludlum Industries, Inc.)

Two Oliver Plaza
P.O. Box 456
Pittsburgh, Pennsylvania 15230
(412) 562-4000

Officers: Robert J. Buckley, chairman of the board, president, and chief executive officer; Clayton A. Sweeney, exec. v.p. and chief administrative officer; Graemer K. Hilton, exec. v.p. and chief financial officer; Raymond S. Fries, exec. v.p. and president-Commercial Products & Systems Group; Alan H. Anderson, v.p. and president-Engineered Products Group; E.F. Andrews, v.p.-materials & services; F.F. Babb, v.p. & treasurer; Arthur J. Dalton, v.p.-management information systems; James T. Dougherty, v.p., general counsel, & secretary; Christopher Lewinton, exec. v.p. & chairman-International Group; Thomas P.Maletta, v.p.-taxes; George C. Oehmler, v.p.-Public and International Affairs; Robert B. Egan, v.p. & president-Metals & Metal Products Group; Oliver S. Travers, Jr., v.p. & president-Hardware Group; F. George Scott, v.p.-human resources; Fred B. Smith, v.p. & controller.

Directors: Roger S. Ahlbrandt*, Clayton A. Sweeney*, John T. Ryan, Jr.*, Robert J. Buckley*, B.R. Dorsey, Raymond S. Fries, Graemer K. Hilton, Anthony J.A. Bryan*, George T. Farrell, William H. Wendel, Richard M. Cyert*, C. Lewinton, George A. Stinson.

* Member of Executive Committee.

Divisions and Subsidiaries:

Metals Group

Almet, Inc.
75 Claremont Road
Bernardsville, New Jersey 07924
(201) 766-7800
Trader of ferro alloys, metals and other materials

Alloy Rods Division*
P.O. Box 517
Hanover, Pennsylvania 17331
(717) 637-8911
Manufactures consumable welding products.

Special Metals Corporation
Middle Settlement Road
New Hartford, New York 13413
(315) 798-2900
Produces high-purity, vacuum-melted superalloy billets, bars and remelt ingots for forgings and castings.

Swan Manufacturing Corporation
164 Franklin Avenue
Rockaway, New Jersey 07866
(201) 627-5600
Fabricates custom pipe and tubing from various different metals.

Tube Turns Division*
2900 West Broadway
Louisville, Kentucky 40201
(502) 774-6011

Produces pipe expansion joints, elbows, fittings and custom forgings.

A-L Industries Export Corporation
Oliver Building
Pittsburgh, Pennsylvaia 15222
(412) 562-4044

Allegheny Ludlum Research Center
Natrona Heights, Pennsylvania 15065
(412) 226-2000

General Industry Group

Process Equipment Division*
P.O. Box 35600
Louisvlle, Kentucky 40232
(502) 491-4310

Manufactures heat exchangers, filters, fillers, mixers, conveyors, deodorizers and other equipment.

Fire Systems Division*
Route 50 and Governors Highway
Monee, Illinois 60449
(312) 534-1000

Engineers fire detection and suppression systems.

Railway Products Division*
111 East Wacker Drive
Chicago, Illinois 60601
(312) 565-5450

Supplies automatic, continuous railwelding machines and service.

Medical Products Division*
1801 Lilly Avenue
St. Louis, Missouri 63110
(314) 771-2400

Produces medical oxygen and gas piping systems, respiratory therapy and other patient care equipment for hospitals and medical care facilities. Makes dental delivery units, chairs, hand instruments and sedation equipment for the dental industry.

Universal X-Ray Division*
4014 West Grand Avenue
Chicago, Illinois 60651
(312) 276-4487

Manufactures medical, dental, podiatry and veterinary x-ray machines.

Carmet Company
Two Oliver Plaza
Pittsburgh, Pennsylvania 15222
(412) 562-4180

Produces tool and die compenents and other carbide parts.

IPM Corporation
2100 Advance Avenue
Columbus, Ohio 43207
(614) 443-4833

Specializes in powdered metal parts used in minicomputer switch mode power units.

Standard-Thomson Corporation
152 Grove Street
Waltham, Massachusetts 02154
(617) 894-7310

Car and truck thermostat, electrical parts and bellows control devices.

Magnetic & Electronics, Inc.
Railroad and West Streets
Marengo, Illinois 60152
(815) 568-2000

Electrical and electronic components for the aerospace, communications and automotive industries. Included are magnets for fractional horsepower motors, lead frames for electronic products, hi-fi speakers magnets, electronic testing equipment, digital tape transports and magnetic cores for communications equipment.

HTL Industries, Inc.
101 East Wheeler Avenue
Arcadia, California 91006
(213) 574-7880

Manufactures products that sense, measure and control fluids and gases, fire suppression systems and valves.

Other Subsidiaries

Allgheny Ludlum Acceptance Corporation
2625 Concord Pike
Wilmington, Delaware 19803

Allegheny Ludlum Credit Corporation
Two Oliver Plaza
Pittsburgh, Pennsylvania 15222

* A division of:

Chemetron Corporation
Two Oliver Plaza
Pittsburgh, Pennsylvania 15222

Affiliates:

Titanium Metals Corporation of America (50% owned)
Timet Division
P.O. Box 2824
Pittsburgh, Pennsylvania 15230
(412) 262-4200

Produces titanium sponge and solid metal forms.

Standard Steel Division
Burnham, Pennsylvania 17009
(717) 248-4911

Produces industrial rings, dies, open die forgings, railroad wheels and axes, and tool steels.

True Temper Corporation
1623 Euclid Avenue
Cleveland, Ohio 44115
(216) 696-3366

Manufactures hardware, lawn and garden tools, golf club heads and shafts and metal tennis racquet frames. Also produces rail anchors and maintenance-of-way products.

Liquid Air Corporation of North America (32.7% owned)

Nationwide producer of air separation gases, principally oxygen, nitrogen, argon, and acetylene.

Wilkinson Match, Ltd.
13 Stanhope Gate Park Lane
London W1Y5LB England

Manufactures and markets consumer products such as razor blades, matches, sunglasses, scissors and tooth brushes; safety and protection systems for aircraft, marine vessels and armored land vehicles.

Schenuit Industries, Inc.

Manufactures exercise and fitness equipment including exercise bikes and treadmills.

C.J. Kennedy Company

Manufactures tape and disc drives for data storage and retrieval systems.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York, Amsterdam

Ticker Symbol: AG

Number of Employees:

1981	52,700	1978	19,397
1980	27,500	1977	22,092
1979	19,914		

Sales and Earnings

	Net Sales +	Net Income
1981	$1,907,800,000	$ 81,000,000
1980#	923,500,000	44,700,000
1979#	850,300,000	71,000,000
1978	753,800,000	33,374,000
1977	398,900,000	25,432,000

	No. of Com. Shares †	Earn. per Share ‡ †
1981	10,832,520	$ 7.04
1980#	7,310,407	3.44
1979#	7,080,513	5.72
1978	7,128,339	2.04
1977	7,295,233	2.34

+ Of continuing operations only.
# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Based on the average number of shares outstanding.
† Adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Consumer prods.	$ 614,803	$ —
Hardware & sports	267,231	34,462
Specialty metals	212,896	237,799
Metal prods.aser	221,255	217,222
Safety & protec..	124,789	62,091
Roboties & elec.	145,501	140,671
Industrial spec.	321,334	231,283
Total	$ 1,907,809	$ 923,528

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.40	—	—
1979	1.31	—	—
1978	1.28	—	—
1977	1.28	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 451,553,000	$ 35.00
1980	280,502,000	35.38
1979	248,303,000	31.77
1978	208,994,000	25.83

‡ Restated.

Income Account *
(000's)

Year ended	1/3/82	12/28/80 ‡
Net sales	$ 1,907,809	$ 923,528
Other income	34,278	14,153
Close down of for. oper.	(6,700)	(3,900)
Total Income	$ 1,935,387	$ 933,781
Cost of sales	1,335,231	673,969
Expense	398,318	163,274
Depreciation & amortization	43,014	20,103
Interest expense	92,415	41,840
Income before taxes	$ 66,409	$ 34,595
Income taxes	23,859	13,153
Minority interests	6,031	—
Equity earnings	(46,084)	(45,839)
Income from cont. oper.	$ 82,603	$ 65,884
Income (Loss) from discont. oper.	(1,603)	(21,192)
Net Income	$ 81,000	$ 44,692

† Restated.

Assets
(000's)

As of	1/3/82	12.28/80 ‡
Cash	$ 25,041	$ 18,203
Short-term invest.	11,580	5,614
Notes & accts. receiv., net	560,970	292,769
*Inventories	757,792	337,263
Prepaid expenses	45,098	19,063
Current Assets	$ 1,400,481	$ 672,870
Long-term receiv. & other invest.	108,270	135,255

	1981	1980
Investments & advances	170,130	143,448
#Fixed assets	534,551	343,060
Other assets & intangibles	215,982	63,894
Total Assets	$ 2,429,414	$ 1,358,523

Liabilities
(000's)

Short-term borrowings	$ 262,823	$ 60,821
Long-term debt, curr.	20,973	18,584
Accts. payable	269,679	134,646
Accruals	201,214	92,881
Accrued payroll	100,431	73,806
Income taxes	16,081	25,109
Curr. Liabilities	$ 871,201	$ 405,847
Long-term debt	657,046	381,044
Long-term liab.	65,548	46,220
Deferred inc. taxes	18,352	22,045
Minority interest	29,734	30,722
+Redeemable pref. stock	335,980	1,260
+ +Convertible Preferred stock	—	1,260
+ + +Common stock	7,352	5,603
Add. paid-in capital	126,292	82,698
Retained Earnings	352,666	297,681
Cum. adjust. from for. curr. trans.	(27,773)	(610)
Treasury Stock	(6,984)	(30,508)
Total Liabilities & Shareholders' Equity	$ 2,429,414	$ 1,358,523

‡ Restated.
* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $1 par value; $3 convertible.
+ + + 0.66⅔ par value.

Statistical Summary

%Net Income to Equity	17.94	12.55
Sales to Inventories	2.52	2.74
Working Capital	$529,280,000	$267,023,000
Current Ratio	1.61	1.66
Shareholders' Equity	$451,553,000	$356,124,000

The Allen Group, Inc.

534 Broad Hollow Road
Melville, New York 11747
(516) 293-5500

Officers: Walter B. Kissinger, chairman of the board chief executive officer & president; J. Chisholm Lyons, vice chairman of the board; John F. McNiff, executive v.p.-finance & administration; Barry R. Banducci, sr. v.p.-operations; Thomas R. Armstrong, v.p.-international; Donald R. Bindler, v.p.-communications; R. Michael Briggs, group v.p.-Mobile Communications; Sheldon Gross, v.p. & president-National Rubber Company Limited; Frederick D. Heiman, v.p.-administration; John McCusker, v.p. & controller; Eugene J. Miller, v.p. & president -Hollywood Accessories Division; Ivar W. Mitchell, v.p. & secretary; Richard P. Motta, v.p. & treasurer; Robert G. Paul, v.p. & president-The Antenna Specialist Co. Division; Klaus J. Rath-Nagel, president-European operations; Leo G. Thompson, group v.p.-heat transfer operations; Robert A. Youdelman, v.p. taxation.

Directors: Walter B. Kissinger, chairman; Wade W. Allen, George A. Chandler, Philip W. Colburn, Albert H. Gordon, Wilhelm PH. Kirmser, Henry Kohorn, J. Chisholm Lyons, Charles W. Robinson, Lewis Schimberg, Felix Schnyder, Richard S. Vokey, William M. Weaver, Jr.

Areas of Work: Manufactures automotive electronic test equipment, electronic assemblies and computerized engine diagnostic equipment. Other products include auto parts, antennas and truck cabs.

Subsidiaries:

Automotive Test and
Service Equipment

Allen Automated Systems Company
Westland, Michigan
Computerized products test and assembly machines and systems and automated test equipment.

The Allen Group International
Garage equipment, wheel aligners, break testers, gas station installation and car wash systems, in five European countries.

The Allen Group Puerto Rico Inc.
Fajardo, puerto Rico
Electronic assemblies used in other Allen products.

Allan Testproducts
Kalamazoo, Michigan
Mississauga, Ontario, Canada
Engine diagnostic equipment for the automotive repair market.

Mangum Manufacturing Company
Dallas, Texas
Heat exchange products.

National Rubber Co. Limited
Toronto, Ontario, Canada
Die-cut and molded rubber products.

Transfer Agent(s):

American National Bank & Trust Company of Chicago
Chicago, Illinois

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: ALN

Plant Footage*:

1981 . . . . . . 1,851,000 sq. ft.

* Includes only plant footage of the Automotive Test & Service Equipment Group.

Sales and Earnings

	Net Sales	Net Income
1981	$ 362,873,000	$ 8,679,000
1980	348,491,000	8,835,000
1979	343,180,000	10,205,000
1978	300,807,000	8,539,000
1977	280,440,000	7,888,000

	No. of Com. Shares	Earn. per Share ‡
1981	4,548,000	$ 1.90
1980	4,409,000	2.03
1979	4,170,000	2.44
1978	3,995,000	2.10
1977	4,014,000	1.94

‡ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Automotive test & service	$ 201,333	$ 207,572
Automotive accessories:		
Auto access. prods.-	94,505	79,977
Mobile communications prods.-	18,025	16,829
Truck prods.-	49,010	44,113
Total	$ 362,873	$ 348,491

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.00	—	—
1980	1.00	—	—
1979	1.00	—	—
1978	0.75	—	—
1977	0.595	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 88,645,000	$ 19.49
1980	81,738,000	18.54
1979	75,182,000	18.03
1978	68,032,000	17.03
1977	61,938,000	15.43

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 362,873	$ 348,491
Cost of sales	261,802	253,072
Expenses	79,282	75,472
Eq. in earn. of unconsol. lease fin. subsid.	(1,344)	(1,179)
Interest expense	13,825	10,471
Inc. bef. taxes	$ 9,308	$ 10,655
Income taxes	629	1,820
Net Income	$ 8,679	$ 8,835

* Included in Costs and Expenses, Depreciation and Amortization: $5,674,000 in 1981 and $4,782,000 in 1980.

Assets
(000's)

As at Dec. 31	1981	1980
Cash & equivalents	$ 1,130	$ 1,467
Accts. receiv., net	33,427	39,431
*Inventories	90,151	83,368
Prepaid expenses	4,243	3,680
Current Assets	$ 128,951	$ 127,946
#Fixed assets	47,452	44,163
Goodwill	10,462	10,637
Other assets	14,390	8,550
Total Assets	$ 201,255	$ 191,296

Liabilities
(000's)

Notes payable	$ 6,631	$ —
Long-term debt, curr.	2,883	2,873
Accts. payable	29,979	30,410
Accruals	18,279	18,291
Income taxes	1,870	1,181
Curr. Liabilities	$ 59,642	$ 52,755
Long-term debt	40,263	40,075
Cap. lease oblig.	6,227	6,534
Deferred income	6,478	10,194
+Common stock	4,988	4,749
Add. paid-in capital	36,448	33,955
Retained earnings	49,888	45,713
Treasury stock	(2,679)	(2,679)
Total Liabilities & Shareholders' Equity	$ 201,255	$ 191,296

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.57	3.06
%Net Income to Sales	2.39	2.54
%Net Income to Equity	9.79	10.81
Sales to Inventories	4.03	4.18
Working Capital	$69,309,000	$75,191,000
Current Ratio	2.16	2.43
Shareholders' Equity	$88,645,000	$81,738,000

Allen Organ Company

Macungie, Pennsylvania 18062
(215) 966-2200

Officers: Jerome Markowitz, president & treasurer; Robert Pearce, vice president-sales; Eugene Moroz, vice presidentproduction & asst. secretary; Leonard W. Helfrich, secretary & asst. treasurer; Steven Markowitz, v.p.- international operations.

Directors: Jerome Markowitz, Robert Pearce, Eugene Moroz, Fred Pillsbury, Leonard W. Helfrich, Steven Markowitz.

Areas of Work: Manufactures electronic musical instruments.

Subsidiaries:

Allen Organ International, Inc. (DISC)
Macungie, Pennsylvania

Rocky Mount Instruments Inc.
Rocky Mount, North Carolina
(919) 442-8068

Transfer Agent(s):

Provident National Bank
17th & Chestnut Streets
Philadelphia, Pennsylvania 19103

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AORG (NASDAQ)

Number of Employees:

1981	520	1978	564
1980	565	1977	564
1979	565		

Plant Footage:

1981	287,000 sq. ft.	1978	265,000
1980	287,000	1977	265,000
1979	287,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 18,172,368	$ 2,189,082
1980	17,348,505	2,078,818
1979	15,990,164	1,792,742
1978	15,159,397	1,921,383
1977	13,489,514	1,573,615

	No. of Com. Shares #	Earn. per Share +
1981	582,954	$ 3.76
1980	564,802	3.57
1979	564,802	3.08
1978	547,404	3.31
1977	546,489	2.71

#Class A and Class B shares combined.
+ Based on average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.52	3%	—
1980	0.47	—	—
1979	0.45	3%	—
1978	0.43	—	—
1977	0.35	2%	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 16,816,110	$ 28.85
1980	14,909,478	26.40
1979	13,094,991	23.19
1978	11,539,665	21.08
1977	9,841,460	18.00

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 18,172,368	$ 17,348,505
Cost of sales	12,517,037	11,463,466
Expenses	2,505,065	2,438,423
Other income	(1,042,616)	(671,202)
Income before taxes	$ 4,192,882	$ 4,117,818
Income taxes	2,003,800	2,039,000
Net Income	$ 2,189,082	$ 2,078,818

*Included in Costs and Expenses, Depreciation: $359,382 in 1981 and $338,039 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 267,103	$ 1,304,562
Marketable securities	6,193,155	3,873,186
Accts & notes receiv.,net	2,197,631	2,063,960
*Inventories	5,642,769	5,637,046
Prepaid expenses	18,305	17,675
Deferred inc. taxes	25,000	30,000
Current Assets	$ 14,343,963	$ 12,926,429
#Fixed assets	3,254,412	3,061,733
Other assets	489,700	429,039
Total Assets	$ 18,088,075	$ 16,417,201

Liabilities

Accts. payable	$ 117,132	$ 144,808
Accruals	271,334	267,505
Customers' deposits	324,555	222,676
Income taxes	71,164	404,954
Curr. Liabilities	$ 784,185	$ 1,039,943
Long-term liabilities	284,788	284,788
Deferred compensation	202,992	182,992
+Common stock:		
Class A	49,807	48,365
Class B	548,932	533,208
Add. paid-in capital	3,867,409	3,590,380
Retained earnings	12,450,352	10,856,399
Treasury stock	(100,390)	(118,874)
Total Liabilities & Shareholders' Equity	$ 18,088,075	$ 16,417,201

*At lower of cost (FIFO) or market.
#Less accumulated depreciation and amortization.
+$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	23.07	23.74
%Net Income to Sales	12.05	11.98
%Net Income to Equity	13.02	13.94
Sales to Inventories	3.22	3.08
Working Capital	$13,559,778	$11,886,486
Current Ratio	18.29	12.43
Shareholders' Equity	$16,816,110	$14,909,478

Allied Corporation

(formerly Allied Chemical Corporation)

Box 4000R
Morristown, New Jersey 07960
(201)455-2000

Officers: Edward L. Hennessy, Jr., chairman of the board & chief executive officer; Harold W. Buirkle, sr. v.p.-planning & finance; L. James Colby, Jr., sr. v.p.-technology; Brian D. Forrow, sr. v.p. & general counsel; Edwin M. Halkyard, sr. v.p.-human resources; David G. Powell, sr. v.p.-public affairs; H. Dorn Stewart, Jr., sr. v.p.-operations; Alan Belzer, Edgar S. Brower, Robert L. Cole, William D. Geitz, Richard C. Ashley, group vice presidents; Harry J. Robinson, v.p.-medical affairs; Edward W. Callahan, v.p.-health, safety and environmental sciences; Victor Futter, v.p. & secretary; Richard A. Swalin, v.p.-research & development; William A. Kebba, v.p. & controller; Peter J. Schiller, v.p.-planning & development; Nicholas A. Cameron, v.p.-finance; William F. Loftuc, v.p. & treasurer.

Directors: John P. Fishwick, Brian D. Forrow, Jewel Plummer Cobb, Roger H. Morley, Charles W. Nichols, Jr., Edward L. Hennessy Jr., James A. Krumhansl, Helen S. Meyner, Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Paul Thayer, Theodore C. Rogers, Stanley P. Porter, Richard R. Shinn.

Business Activities: Engaged in the production of fibers, including caprolactam (nylon-6 monomer) and fine and heavy denier nylon and polyester yarns, nylon compounds, ammonium sulfate and acetone and phenol. Fabricated products include automotive seat belts and shoulder harnesses. Energy products and services including oil and gas operation and processing of uranium ore concentrates into uranium hexafluoride; inorganic chemicals; organic chemicals including plastics, and agricultural chemicals. Industrial products include refractory brick, zinc, and aluminum die castings, fittings and industrial measuring devices, packaging films, and laboratory instruments.

Organizational Units:

Oil and Gas
Fibers and Plastics
Chemicals
Electrical and Electronics

Acquisition(s):

Fisher Scientific Company
711 Forbes Avenue
Pittsburgh, Pennsylvania 15219
(412) 562-8300

Manufactures analytical and measuring instruments for laboratory use.

Bunker Ramo Corporation
900 Commerce Drive
Oak Brook, Illinois 60521
(312) 986-2700

Manufactures electrical and electronic connectors, information systems and knitted deep pile fabrics.

Transfer Agent(s):

Union Bank
3810 Wilshire Boulevard
Los Angeles, California 90051

The Bank of New York
90 Washington Street
New York, New York 10015

National Trust Company Ltd.
21 King Street East
Toronto, Ontario, Canada

Stock Exchange(s): New York, Midwest, Pacific, Toronto

Ticker Symbol: ALD, ACD (Toronto)

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$6,407,000,000	$ 348,000,000
1980	5,519,000,000	289,000,000
1979	4,332,400,000	10,800,000
1978	3,016,100,000	120,200,000
1977	2,645,200,000	135,300,000

	No. of Com. Shares	Earn per Share ‡ #
1981	33,743,691	$ 9.17
1980	33,488,535	8.15
1979	28,807,823	0.20
1978	28,517,832	4.25
1977	28,179,734	4.82

+ Of continuing operations only.
‡ Including extraordinary losses of $3,126,000 ($0.11 per share) in 1977.
# Based on weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Oil Gas	$ 2,068,000	$ 1,751,000
Chemicals	1,458,000	1,336,000
Fibers Plastics	1,195,000	1,114,000
Electrical	980,000	798,000
Other	706,000	520,000
Total	$ 6,407,000	$ 5,519,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.35	—	—
1980	2.15	—	—
1979	2.00	—	—
1978	2.00	—	—
1977	1.85	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$1,900,000,000	$ 56.31
1980	1,664,000,000	49.69
1979	1,228,531,000	42.65
1978	1,272,324,000	44.62
1977	1,197,300,000	42.49

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 6,407,000	$ 5,519,000
Cost of sales	4,455,000	3,824,000
Expenses	534,000	434,000
Depreciation, depletion & amortization	347,000	271,000
Oper. profits	$ 1,071,000	$ 990,000
Other income	(21,000)	(45,000)
Interest expense	88,000	81,000
Non-recurring items	(29,000)	28,000
Income before taxes	$ 1,033,000	$ 926,000
Income taxes	685,000	637,000
Net Income	$ 348,000	$ 289,000

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term securities	$ 181,000	$ 189,000
Accts. & notes receiv., net	933,000	785,000
*Inventories	841,000	601,000
Prepaid expenses	56,000	36,000
Assets held for dispos.	—	38,000
Current assets	$ 2,011,000	$ 1,649,000
Investments	226,000	388,000
#Fixed assets	2,866,000	2,384,000
Intangibles	241,000	117,000
Total Assets	$ 5,344,000	$ 4,538,000

Liabilities

	1981	1980
Notes payable	$ 53,000	$ 33,000
Accts. payable	974,000	673,000
Accruals	286,000	430,000
Other liabilities	60,000	46,000
Curr. Liabilities	$ 1,373,000	$ 1,182,000
Long-term debt & cap. lease oblig.	857,000	885,000
Accrued pension liab.	89,000	103,000
Deferred inc. taxes	335,000	311,000
Other liabilities	199,000	133,000
+Redeem. pref. stock	591,000	260,000
+ +Common stock	629,000	616,000
Retained earnings	1,290,000	1,057,000
Treasury stock	(19,000)	(9,000)
Total Liabilities & Shareholders' Equity	$ 5,344,000	$ 4,538,000

* At lower of cost (LIFO or average) or market.

# Less accumulated depreciation depletion and amortization.

+ No par value.

+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.12	16.78
%Net Income to Sales	5.43	5.24
%Net Income to Equity	18.32	17.37
Working Capital	$ 638,000,000	$ 467,000,000
Current Ratio	1.46	1.40
Shareholders' Equity	$1,900,000,000	$1,664,000,000

Alpha Industries, Inc.

20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150

Officers: Andrew S. Kariotis, president & chief executive officer; Martin J. Reid, sr. v.p.; Anthony J. DeCarolis, Constantine Kamnitsis, David M. Milligan, vice presidents; Donald E. Paulson, secretary; Allan L. Coon, v.p., treasurer & chief financial officer.

Directors: George S. Kariotis, Zenon S. Zannetos, John M. Dempsey, Jr., Timothy X. Cronin, Alfred M. Bertocchi, Andrew S. Kariotis.

Areas of Work: Manufactures field effect transistors; semiconductors including mixers and detector diodes, junction varactor diodes, low-frequency tuning diodes, and capacitors; solid state microwave components such as microwave diode switches, low-frequency diode switches, microwave limiters, and attenuators; millimeter microwave products such as antennas, millimeter mixers and switches, test bench and ferrite components and subsystems, hybrid thick film RF/IF amplifiers.

Divisions:

Semiconductor Division
Solid State Control Components Division
TRG Division
Optimax Division

Subsidiaries:

C.F.P. Holding Co., Inc.
20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
Real estate.

Credidyne Corporation
20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
Sale of check verification equipment.

Central Microwave Company
St. Charles, Missouri
Produces gallium arsenide millimeter and microwave signal sources.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: AHA

Number of Employees:

1980	610	1977	410
1979	525	1976	360
1978	460		

Plant Footage:

1981	203,000 sq. ft.	1978	100,000
1980	153,000	1977	90,000
1979	110,000		

Sales and Earnings

	Net Sales	Net Income ‡	No. of Com. Shares #	Earn. per Share ‡ #
1981	$ 29,578,872	$ 2,775,405	2,398,000	$ 1.16
1980	21,799,369	1,872,731	1,978,000	0.95
1979	16,374,014	1,334,125	1,932,000	0.69
1978	12,171,097	1,147,764	1,897,000	0.61
1977	10,077,204	774,172	1,834,000	0.42

‡ Including extraordinary gains of $276,209 ($0.15 per share) in 1978 and $246,583 ($0.13 per share) in 1977.

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.067	—	3-for-2
1979	0.067	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 18,736,892	$ 7.81
1980	8,314,895	4.20
1979	5,981,819	3.10
1978	4,805,788	2.53
1977	3,541,766	1.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1981	1980
Net sales	$ 29,578,872	$ 21,799,369
Cost of sales	19,011,909	13,874,974
Expenses	5,751,474	4,342,149
Interest expense	260,949	195,708
Other income	(500,865)	(112,193)
Income before taxes	$ 5,055,405	$ 3,498,731
Income taxes	2,280 000	1,626,000
Net Income	$ 2,775,405	$ 1,872,731

* Included in Costs and Expenses, Depreciation and Amortization: $879,927 in 1981 and $591,831 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 304,623	$ 319,806
Temp. invest.	5,830,069	—
Accts. receiv., net	6,589,060	5,197,692
*Inventories	4,766,658	3,652,214
Prepaid expenses	225,619	190,365
Current Assets	$ 17,716,029	$ 9,360,077
Investments	116,159	116,159
#Fixed assets	8,418,948	5,495,843
Defer. charges & other assets	123,995	87,244
Total Assets	$ 26,375,131	$ 15,059,323

Liabilities

	1981	1980
Notes payable	$ —	$ 800,000
Long-term debt, curr.	110,096	83,750
Accts. payable	1,493,354	1,679,718
Accruals	2,724,481	1,623,255
Curr. Liabilities	$ 4,327,931	$ 4,186,723
Long-term debt	2,632,247	2,126,688
Deferred inc. taxes	678,061	431,017
+Common stock	676,499	543,024
Add. paid-in capital	9,947,638	2,236,838
Retained earnings	8,490,027	5,966,208
Treasury stock	(246,022)	(256,175)
Debt guarantee	(131,250)	(175,000)

Total Liabilities & Shareholders' Equity	$ 26,375,131	$ 15,059,323

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.09	16.05
%Net Income to Sales	9.38	8.59
%Net Income to Equity	14.81	22.52
Sales to Inventories	6.21	5.97
Working Capital	$13,388,098	$5,173,354
Current Ratio	4.09	2.24
Shareholders' Equity	$18,736,892	$8,314,895

Altair Corporation

(64% owned by Chatham Corporation)
1000 Skokie Boulevard
Wilmette, Illinois 60091
(312) 256-7300

Officers: Gary Brainin, chairman of the board & president; John F. Guy, v.p.-finance; Albert Greene, v.p.; Robert J. Bond, Jr., secretary.

Directors: Robert J. Bond, Jr., Garry Brainin, George B. Collins, Albert Greene.

Subsidiaries:

Hurletron Altair, Inc.
1938 East Fairchild Street
Danville, Illinois 61832
(217) 446-6500

Manufacture and sale of printing and packaging control systems for commercial printers, magazine publishers and packaging companies.

Vacudyne Altair, Inc.
375 East Joe Orr Road
Chicago Heights, Illinois 60411
(312) 757-5200

Designs, manufactures and sells environmentally controlled process equipment.

Permacor Altair, Inc.
9540 South Tulley Avenue
Oak Lawn, Illinois 60453
(312) 422-3353

Manufactures powdered iron and ferrite tuning cores for television, auto radio and commercial communications manufacturers.

Harvest Industries, Inc. (77% owned)
1000 Skokie Boulevard
Wilmette, Illinois 60091
(312) 256-7515

Manufacture and sale of animal feed and feed supplements in the Central and Western states.

Transfer Agent(s):

American National Bank & Trust Co. of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALTA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 49,306,000	$ 1,990,000
1980	51,278,000	1,355,000
1979	47,248,000	1,275,000
1978	44,163,000	1,412,000
1977	28,968,000	853,000

	No. of Com. Shares †	Earn. per Share †
1981	1,186,095	$ 1.68
1980	1,201,003 +	1.11
1979	1,263,000	1.01
1978	1,316,000	1.07
1977	1,338,000	0.64

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.
+ Based on the number of shares outstanding at year end.

Revenues By Line of Business

	1981	1980
Electronic process equip. & controls	$ 16,112,000	$ 13,122,000
Animal agribusiness	33,194,000	38,156,000
Total	$ 49,306,000	$ 51,278,000

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 12,378,000	$ 10.44
1980	10,453,000	8.70 +
1979	9,235,000	7.31
1978	8,224,000	6.25
1977	6,898,000	5.16

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.
+ Based on the number of shares outstanding at year end.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 49,306,000	$ 51,278,000
Cost of sales	39,040,000	41,175,000
Expenses	7,066,000	6,796,000
Interest expense	164,000	220,000
Other income	(482,000)	(313,000)
Income before taxes	$ 3,914,000	$ 3,400,000
Income taxes	1,868,000	1,683,000
Minority interest	56,000	362,000
Net Income	$ 1,990,000	$ 1,355,000

* Included in Costs and Expenses, Depreciation: $960,000 in 1981 and $965,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 5,599,000	$ 4,532,000
Accts. receiv., net	5,122,000	4,527,000
*Inventories	3,464,000	4,000,000
Prepaid expenses	201,000	241,000
Assets of discont. oper.	167,000	156,000
Current Assets	$ 14,553,000	$ 13,456,000
#Fixed assets	4,311,000	5,242,000
Other assets	2,059,000	2,123,000
Total Assets	$ 20,923,000	$ 20,821,000

Liabilities

Long-term debt, curr.	$ 313,000	$ 714,000
Accts. payable	2,423,000	2,350,000
Accruals	1,317,000	1,049,000
Customer advances	539,000	1,371,000
Income taxes	754,000	542,000
Curr. Liabilities	$ 5,346,000	$ 6,026,000
Long-term debt	973,000	1,363,000
Deferred inc. taxes	294,000	302,000
Deferred Compensation	37,000	19,000
Minority interest	1,895,000	2,658,000
+Common stock	362,000	362,000
Add. paid-in capital	3,643,000	3,643,000
Retained earnings	9,373,000	7,383,000
Treasury stock	(1,000,000)	(935,000)
Total Liabilities & Shareholders' Equity	$ 20,923,000	$ 20,821,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.94	6.63
%Net Income to Sales	4.04	2.64
%Net Income to Equity	16.08	12.96
Sales to Inventories	14.23	12.82
Working Capital	$ 9,207,000	$ 7,430,000
Current Ratio	2.72	2.23
Shareholders' Equity	$12,378,000	$10,453,000

Altec Corporation

1515 South Manchester Avenue
Anaheim, California 92803
(714) 774-2900

Officers: William L. Fowler, president & chief executive officer; Vincent P. Lo Monaco, v.p.-operations; Victor Rosenblatt, secretary & general counsel.

Directors: Alvis A. Ward, LeRoy Erickson, Eugene C. Huebschmann, William L. Fowler, Vincent P. LoMonaco, Paul Thayer, Richard W. Gay.

Areas of Work: Develops, produces and sells sound and communications equipment consisting of industrial/professional sound equipment, home high fidelity speakers, musical sound equipment and intercommunications systems.

Divisions and Subsidiaries:

Altec Lansing Sound Products Division
1515 South Manchester Avenue
Anaheim, California 92803
(714) 744-2900

Responsible for domestic sales of consumer high fidelity commercial products.

Altec Lansing International Division
1515 South Manchester Avenue
Anaheim, California 92803
(714) 744-2900

Responsible for domestic sales of consumer high fidelity and musical sound products as well as the sale of all Altec products outside the United States.

Transfer Agent(s):

First City Bank of Dallas
Dallas Texas

Stock Exchange(s): American

Ticker Symbol: ALE

Sales and Earnings

	Net Sales†	Net Income
1981	$ 35,552,000	$ (2,355,000)
1980	40,535,000	(334,000)
1979*	42,784,000	555,000
1978	36,877,000	514,000
1977	34,224,000	(413,000)

	No. of Com. Shares ‡	Earn per Share ‡
1981	5,422,136	$ —
1980	5,422,074	—
1979	5,421,370	0.05
1978	5,419,509	0.04
1977	5,419,457	—

(Loss)
* 53 weeks
† Of continuing operations.
‡ Based on weighted average number of common shares outstanding.

Income Account *

Year ended	9/27/81	9/28/80
Net sales	$ 35,552,000	$ 40,535,000
Cost of sales	27,134,000	29,603,000
Research & develop.	689,000	593,000
Expenses	7,493,000	8,881,000
Interest & debt exp.	2,591,000	2,143,000
Other income	—	(308,000)
Loss before taxes	$ (2,355,000)	$ (377,000)
Tax credit	—	(43,000)
Net Loss	$ (2,355,000)	$ (334,000)

* Included in Costs and Expenses, Depreciation $661,000 in 1981 and $598,000 in 1980.

Assets		
As of	9/27/81	9/28/80
Cash	$ 256,000	$ 144,000
Accts. & notes receiv. net	7,010,000	8,483,000
*Inventories	14,140,000	17,396,000
Prepaid expenses and curr. assets	314,000	501,000
Current Assets	$ 21,720,000	$ 26,524,000
# Fixed assets	3,994,000	4,309,000
Debt expense	427,000	464,000
Other assets	389,000	536,000
Total Assets	$ 26,530,000	$ 31,833,000
Liabilities		
Notes payable	$ 3,910,000	$ 3,260,000
Long-term debt, curr.	1,682,000	897,000
Accts. payable	2,405,000	3,635,000
Accruals	2,803,000	2,752,000
Curr. Liabilities	$ 10,800,000	$ 12,544,000
Long-term debt	12,364,000	13,790,000
+ Redeem. pref. stock	9,662,000	9,389,000
+ + Common stock	2,711,000	2,711,000
Add paid-in capital	2,083,000	1,861,000
Retained earnings (deficit)	(1,771,000)	584,000
Treasury stock	(9,319,000)	(9,046,000)
Total Liabilities & Shareholders' Equity	$ 26,530,000	$ 31,833,000

* At lower of cost (average or accumulated) or market.
# Less accumulated depreciation.
+ $1.00 par value: Series B cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.36
%Net Income to Sales	—	1.30
Sales to Inventories	2.51	3.07
Working Capital	$10,920,000	$13,667,000
Current Ratio	2.01	2.40
Shareholders' Equity (deficit)	$ (3,890,000)	$ (3,683,000)

AM International, Inc.

(formerly Addressograph-Multigraph Corporation)

1900 Avenue of the Stars
Los Angeles, California 90067
(213) 556-9500

Officers: Roy L. Ash, chairman of the board; James R. Mellor, president; James H. Combes, sr. v.p.-finance & admn.; Alan Easton, v.p.-communications; Lawrence Grill, v.p., secretary & general counsel; Bruce T. Swan, v.p. & treasurer; Alfred T. Craft, v.p.'s & div. gen. mgrs.; Richard L. Kaufman, Robert H. Trenkamp, v.p.'s; Robert H. Lander, v.p. & controller.

Directors: Roy L. Ash*, chairman; John P. Birkelund, Pal E. Gray*, Frederick R. Eckley, James R. Mellor*, Richard M. Paget, Arthur F. Kelly.

*Member of Executive Committee.

Areas of Work: Research, design, manufacture, sales and service of Multilith (R) offset duplicators; copy/duplicating systems; collators, convenience office copiers; addressing and mail room equipment; tape-driven and direct entry phototypesetters, related modular software programs; management control systems; word processing systems; VDT editing and correcting photocomposition terminals and photocomposition input keyboard, photolettering machines; strike-on, cold-type composition machines; engineering drafting equipment and furniture; diazo and pressure diazo engineering copiers; micrographic equipment; data recorders; point-of-sale data collection and processing terminals for the food service and lodging industries; plastic credit cards; imprinters, ribbons and cartridges for typewriters and computer printers; typewriter and pencil carbon paper; copier toner and developer; and related supplies and materials.

Divisions and Subsidiaries:

AM Brunig
1834 Walden Office Square
Schaumburg, Illinois 60172
(312) 397-1900

Engineering graphics and reprographics equipment including diazo, pressure diazo copiers and whiteprinters, drafting machines and furniture, and micrographic equipment and systems.

AM Documentor Division
2921 South Daimler
Santa Ana, California 92711
(714) 546-3551

Transaction processing systems for use by the food service and lodging industries to perform point-of-sale data collection and accounting functions.

AM Services
1834 Walden Office Square
Schaumburg, Illinois 60196

Service of all company products in the United States and abroad; field administration, logistical support and distribution.

AM Multigraphics Division
1800 West Central Road
Mt. Prospect, Illinois 60056
(312) 398-1900

Offset duplicators, total copy systems integrating both copier and duplicator processes; convenience office copiers; addressing and mail room equipment; data recorders; electronic data transaction (funds transfer and credit authorization) devices, plastic credit cards.

AM Office Supplies Division
7209 St. Clair Avenue
Cleveland, Ohio 44103
(216) 391-6300

Ribbons and cartridges for typewriters and computer printers, inked rolls, typewriter and pencil carbon paper, solvent film carbon, copier toner and developer.

AM VariTyper Division
11 Mt. Pleasant Avenue
East Hanover, New Jersey 07936
(201) 887-8000

Tape-driven and direct entry phototypesetters, related modular software programs; VDT editing and correcting photocomposition terminal and photocomposition input keyboards; photolettering machines; strike-on, cold-type composition machines*, word processing systems.

AM Infortext
AM Addressoraph
Emeloid

AM Finance Corporation
835 Sterling Avenue
Palatine, Illinois 60076
(312) 991-7400

Finances certain equipment leases and installment purchase contracts for customers.

AM International Pty. Ltd.
Mulgrave, Australia

AM International S.A./N.V.
Brussels, Belgium

AM de Liege S.A.
Liege, Belgium

AM International Equipamentos Graphicos Ltda.
Rio de Janeiro, Brazil

AM International Inc.
Toronto, Canada

AM Internatioal S.A.
Brussels, Belgium

AM Export Corporation
Cleveland, Ohio 44143

AM International Information Systems A/S
Valby, Denmark

AM International G.m.b.H.
Frankfurt/Main, Germany

AM International Information Systems Limited
Hemel Hempstead, Herts, England

AM Japan Co., Ltd.
Tokyo, Japan

AM International, S.A. de C.V.
Mexico City, Mexico

AM International B.V.
Rijswijk, Netherlands

AM International Limited
Wellington, New Zealand

AM International Pte. Ltd.
Singapore

AM International (Proprietary) Limited
Johannesburg, South Africa

AM International, S.A.
Madrid, Spain

AM International Oy
Helsinki, Finland

AM International S.A.
Courbevoie, France

AM International AB
Stockholm, Sweden

Addressograph Multigraph AG
Zurich, Switzerland

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10015

Bank of America
Bank of America Center
55 Hawthorne Street
San Francisco, California 94105

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: AIN

Number of Employees:

1980	20,300	1977	19,400
1979	20,000	1976	19,700
1978	18,500		

Sales and Earnings

	Revenues	Net Income †
1980	$909,647,000	$ 5,800,000
1979	754,483,000	11,600,000
1978	666,610,000	21,257,000
1977	596,250,000	(19,298,000)
1976	572,920,000	5,640,000
	No. of Com. Shares #	**Earn. per Share # †**
1980	8,444,437	$0.69
1979	8,412,986	1.38
1978	8,365,567	2.54
1977	8,250,543	—
1976	8,039,838	0.70

(Loss)
† Including extraordinary gains of $1,828,000 ($0.22 per share) in 1980 and $2,597,000 ($0.31 per share) in 1979.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1980	1979
Reprographics:		
Duplicators	$ 352,516	$ 298,854
Engineering graphics	141,358	124,453
Imprinters, embossers & credit cards	88,239	79,810

Other products & services		22,896		21,917
Copiers		23,285		29,792
Management systems:				
Photo composition		133,013		106,422
Word processing & sm. bus. comp.		44,121		16,691
Micrographics		54,909		39,620
Image systems		11,248		8,041
Management control systems		38,062		28,883
Total	$	909,647	$	754,483

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.28	—	—
1979	0.28	—	—
1978	0.20	—	—
1977	0.10	—	—
1976	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1980	$231,689,000	$27.40
1979	227,948,000	27.05
1978	218,394,000	26.02
1977	198,421,000	23.77
1976	216,940,000	27.08

Income Account *
(000's)

Year ended July 31		1980		1979
Net sales	$	728,521	$	591,259
Other income		181,126		163,224
Total income	$	909,647	$	754,483
Cost of sales		559,145		453,355
Expenses		338,796		284,289
Other income		(10,578)		(11,954)
Interest expense		23,824		11,949
Income (loss) before taxes	$	(1,540)	$	16,844
Income taxes (credit)		(5,512)		7,841
Net Income	$	3,972	$	9,003
Extraord. gain		1,828		2,597
Net Income & extraord. gain	$	5,800	$	11,600

* Included in Costs and Expenses, Depreciation and Amortization: $21,152,000 in 1980 and $18,959,000 in 1979.

Assets
(000's)

As of July 31		1980		1979
Cash & temp. invest.	$	4,137	$	7,806
Short-term advances		15,137		4,918
Accts. receiv., net		217,982		158,713
* Inventories		256,370		194,173
Prepaid expenses		29,395		24,000
Current Assets	$	523,021	$	389,610
Investments & advances		10,911		10,166
# Fixed assets		84,560		83,169
‡ Rental equip.		13,580		17,808
† Prop. under cap. leases		7,239		8,479
Other assets		46,821		35,008
Total Assets	$	686,132	$	544,240

Liabilities
(000's)

Bank loans & curr. debt	$	122,994	$	52,110
Accts. payable		85,717		59,296
Service contract oblig.		33,726		29,697
Accruals		81,871		61,910
Income taxes		3 494		2,910
Curr. Liabilities	$	327,802	$	205,923
Long-term debt		104,791		91,836
Deferred income		21,850		18,533
+ Common stock		21,143		21,067
Add. paid-in capital		72,047		71,818
Note receiv. from officer		(1,350)		(1,350)
Retained earnings		139,849		136,413
Total Liabilities & Shareholders' Equity	$	686,132	$	544,240

* At lower of cost (LIFO for U.S. reprographics inventories; FIFO for other) or market.
# Less accumulated depreciation and amortization.
‡ Less accumulated depreciation.
† Less accumulated amortization.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	2.33
%Net Income to Revenues	0.44	1.19
%Net Income to Equity	1.71	3.95
Working Capital	$195,219,000	$183,687,000
Current Ratio	1.60	1.89
Shareholders' Equity	$231,689,000	$227,948,000

Amdahl Corporation

1250 East Arques Avenue
Sunnyvale, California 94086
(408) 746-6000

Officers: Eugene R. White, chairman of the board; John C. Lewis, president; Kenneth W. Simonds, exec. v.p.; Douglas G.G. Levick, III, sr. v.p.-finance & secretary; William F. O'Connell, Jr., sr. v.p.-international marketing; Bruce O. Beebe, v.p.-advanced development; David M. Brewer, v.p.-product development; Michael R. Clements, v.p.-engineering; Joseph J. Francesconi, v.p., marketing-U.S. Operations; Paul Hachigian, v.p. & gen. mgr.-Communications Systems Division; Anthony M. Pozos, v.p.-industrial relations; Raymond W. Sanders, v.p.-Communications Systems Products; Stephen S. Smith, v.p.-business planning; Vernon Z. Smith, v.p.-manufacturing; Edward F. Thompson, v.p. & treasurer; Ernest B. Thompson, v.p. & controller; Daniel W. Tierney, v.p.-product support & services; Frederick M. Trapnell, Jr., v.p.-software; Michael M. Cully, asst. controller; Michael D. Ellzey, asst. corporate secretary; Michael B. Shahbazian, asst. treasurer.

Directors: Eugene R. White, chairman; John C. Lewis, Donald F. Eldridge, E.F. Keizer, Jr., George Kosmetsky, Rinzo Iwai, Naoya Ukai, Masahi Kamida, Burton G. Malkiel, Walter B. Reinhold.

Areas of Work: Develops, manufactures and markets large-scale computer systems for general purpose applications. Also provides product maintenance and software support for its 470 systems and is engaged in research and development programs for future products, and also provides digital data communications networks.

Divisions and Subsidiaries:

Amdahl Limited
1 First Canadian Place, Suite 3940
P.O. Box 123
Toronto, Ontario M5X 1A4
Canada
(416) 862-7479

Amdahl Belgium
17-19 Rue Montoyer
1040 Brussels
Belgium

Amdahl Computer Systems Denmark
Vesterbrogade 1C
DK-1620 Kobenhavn V
Denmark

Amdahl Deutschland GmbH
Rheinstrasse 28
8000 Munchen 40
West Germany

Amdahl Nederland B.V.
Pamassustoren
Locatellikade 1,
1008 EA Amsterdam
The Netherlands

Amdahl France S.A R.L.
Maillot 2000
251 Bd. Pereire
75017 Paris
France

Amdahl Italia, S.p.A.
12, Piazza Adriana
00193 Rome
Italy

Amdahl Norge A/S
Postboks 2496, Solli
Drammensveien 30
N-Oslo 2
Norway

Amdahl Svenska AB
Fribergavegen 7
Box 150
S-182 12 Danderyd
Sweden

Amdahl Schweiz AG
Baumacherstrasse 46
8050 Zurich
Switzerland

Amdahl Lease B.V.
Pamassustoren
Locatellikade 1
1076 AZ Amsterdam
The Netherlands

Amdahl Ireland, Limited
Balhary Industrial Park
Swords, County Dublin
Ireland

Amdahl Communications Systems Division
2500 Walnut Avenue
Marina del Rey, California 90291
Designs, produces, markets, installs and services equipment (excluding transmission facilities) and software that constitute digital communications networks.

Amdahl (U.K.) Limited
Viking House
2931 Lampton Road,
Hounslow
Middlesex, TW3 L1D
United Kingdom

Tran Communications, Ltd.
1320 Shawson Drive
Mississauga, Ontario I4W 1C3
Canada
(416) 678-9504

Tran Systems (Pty) Ltd.
5 Andrea Road, 2091 Reuven
Johannesburg, Republic of South Africa

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California
New York, New York

Stock Exchange(s): American, London

Ticker Symbol: AMH

Number of Employees:

1981	5,100	1979	3,600
1980	4,700	1978	3,000

Plant Footage:

1981	1,000,000 sq. ft.	1979	700,000
1980	700,000	1978	700,000

Amdahl Corporation

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 442,774,000	$ 26,764,000
1980	394,351,000	15,221,000
1979	319,973,000	15,304,000
1978	332,173,000	45,151,000
1977	199,950,000	36,106,000

	No. of Com. Shares #	Earn. per Share #‡
1981	20,357,000	$ 1.31
1980	18,425,000	0.83
1979	17,503,000	0.87
1978	17,155,000	2.63

‡ Including extraordinary gain of $9,743,000 in 1977.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.40	—	—
1979	0.40	—	—
1978	0.30	—	—
1977	0.075	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 266,165,000	$ 13.07
1980	239,575,000	13.00
1979	171,820,000†	9.82
1978	146,445,000†	8.54

+ Based on the average number of common shares and common share equivalents outstanding.
† After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended	12/25/81	12/26/80
Revenues	$ 442,774	$ 394,351
Cost of revenues	233,245	215,743
Expenses	181,606	149,466
Interest income	(21,899)	(8,642)
Interest expense	7,410	11,184
Income before taxes	$ 42,412	$ 26,600
Income taxes	15,648	11,379
Net Income	$ 26,764	$ 15,221

* Included in Costs and Expenses, Depreciation and Amortization: $35,654,000 in 1981 and $39,599,000 in 1980.

Assets
(000's)

As of	12/25/81	12/26/80
Cash & short-term invest.	$ 93,544	$ 83,379
Receivables	106,326	85,943
*Inventories	71,403	68,735
Prepaid expenses & deposits	3,145	2,127
Tax benefit	9,771	3,971
Current Assets	$ 284,189	$ 244,155
Long-term receiv.	33,302	24,791
#Fixed assets	139,587	120,660
Total Assets	$ 457,078	$ 389,606

Liabilities
(000's)

Notes payable	$ 1,587	$ 412
Long-term debt, curr.	1,244	5,105
Accts. payable	20,562	16,857
Accruals	26,222	15,374
Accrued liabilities	68,038	46,926
Curr. Liabilities	$ 117,653	$ 84,674
Long-term debt	29,355	27,393
Deferred invest. tax credits	3,757	3,887
Deferred inc. taxes	40,148	34,077
+Common stock	867	844
Add. paid-in capital	171,251	164,585
Retained earnings	94,047	74,146
Total Liabilities & Shareholders' Equity	$ 457,078	$ 389,606

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.58	6.75
%Net Income to Revenues	6.04	3.86
%Net Income to Equity	10.06	6.35
Working Capital	$166,536,000	$159,481,000
Current Ratio	2.42	2.88
Shareholders' Equity	$266,165,000	$239,575,000

Amerace Corporation

555 Fifth Avenue
New York, New York 10017
(212) 986-8282

Officers: John B. Rhodes, Jr., chairman of the board; William F. McGuinness, vice chairman of the board; George S. Deutsch, president & chief executive officer; Erik P. Woit, sr. v.p.-administration; Glenn W. Johnson, Jr., exec. vice president; Robert R. Brown, C.R. Hintz, David L. Nighbert, group vice presidents; C. Donald Caughey, v.p.-planning & development; Norwood P. Beveridge, Jr., secretary; Jerry K. Lasley, controller; Matthew M. Craig, treasurer; Douglas F. Bauer, David Teschner, asst. secretaries.

Directors: Louis Bachmann, William F. Ballhaus, T. Roland Berner, Edgar R. Berner, George S. Deutsch, William F. McGuinness, Edward McSweeney, John B. Rhodes, Jr., Jack A. Slonim, Stephen A. Furbacher, Leroy M. Parker, Thomas R. Berner.

Areas of Work: Manufactures garden, industrial and automotive hose; hydraulic hose assemblies, metal tube assemblies, and hydraulic hose assemblies,metal tube assemblies and hydraulic cylinders; electromechanical, fluidic and electronic timers, switches, programmers, stepping switches, relays, rotary positioning drives, synchronous motor timers, and complete systems for automatic equipment and process control; terminal blocks, splice caps, and crimping tools; high voltage terminating, splicing and connector systems for underground electric power distribution, molded rubber encapsulated lighting transformers and cable connector kits for airport runway and taxi strip lighting systems; fused connector kits and other components for street lighting systems; aircraft and industrial fasteners; plastic molded products such as buttons and dials for business machines and telephones, highway pavement markers and reflective directional and warning devices, automobile taillight and directional signal lenses; microporous rubber separators for automotive and industrial batteries, semi-pneumatic and solid rubber tires and plastic wheels for lawnmowers, toys and light recreational vehicles.

Divisions:

Swan Hose Division
892[illegible] Columbus Pike
Worthington, Ohio 43085
(614) 548-6511

Esna Division
2330 Vauxhall Road
Union, New Jersey 07083
(201) 686-6000

Microporous Products Division
Ace Road
Butler, New Jersey 07405
(201) 838-1000

Wheel Products Division
Ace Road
Butler, New Jersey 07405
(201) 838-1000

Automotive Sales Division
10 West Square Lake Road
Bloomfield Hills, Michigan 48013
(313) 858-2240

Signal Products Division
7542 North Natchez Avenue
Niles, Illinois 60648
(312) 647-7717

Control Products Division
2330 Vauxhall Road
Union, New Jersey 07083
(201) 964-4400

Elastimold Division
Esna Park
Hackettstown, New Jersey 07840
(201) 852-1122

Caco-Pacific Division
813 N. Cummings Road
Covina, California 91724
(213) 331-3361

Subsidiaries & Affiliates:

Amer-Sil S.A.
Kehlen, Luxembourg

Amerace Ltd.
Markham, Ontario, Canada

Amerace Limited
Newbury, Berkshire, England

Simmonds, S.A.
Suresnes, France

Amerace GmbH
Kamen, Westphalia, Germany

Amerace S.A.
Paris, France

Amerace N.V.
Erembodegem, Belgium

Fujimold Ltd.
Tokyo, Japan

Simel, S.A.
Gevrey, Chambertin, France

Anchor Coupling Canada Limited
Brantford, Ontario, Canada

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AAE

Number of Employees:

1980	5,350	1977	6,800
1979	6,600	1976	6,400
1978	7,000		

Plant Footage:

1980	2,590,000 sq. ft.	1978	2,486,000
1979	2,513,000	1977	2,455,000

Sales and Earnings

	Net Sales +	Net Income
1981	$ 319,998	$ 8,338
1980	315,651	10,097
1979	324,272	12,407
1978	296,521	10,641
1977	270,436	9,779

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,492,000	$ 2.77
1980	2,447,000	3.51
1979	2,383,000	4.55
1978	2,361,000	3.81
1977	2,357,000	3.43

+ Of continuing operations only.
‡ Based on average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Fluid power & metal compon.	$ 170,670	$ 167,913
Elec. compon. & controls	101,112	100,098
Consumer & safety prods.	48,216	47,640
Total	$ 319,998	$ 315,651

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.32	—	—
1980	1.32	—	—
1979	1.32	—	—
1978	1.20	—	—
1977	1.20	—	—

Common Stock Equity ‡

	Total Equity #	Equity Per Share *
1981	$ 82,126,000	$ 32.96
1980	78,745,000	32.18
1979	72,287,000	30.33
1978	62,145,000	26.32
1977	55,882,000	23.71

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

# After allowing for preferred stock at involuntary liquidation.

* Based on average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 319,998	$ 315,651
Cost of sales	235,968	230,237
Expenses	55,564	54,972
Depreciation & amortization	9,915	9,527
Other income	(1,372)	(1,765)
Interest expense	3,024	5,288
Income - cont. oper.	$ 16,899	$ 17,392
Loss - discont. oper.	6,726	7,160
Income before taxes	$ 10,173	$ 10,232
Income taxes	(1,835)	(135)
Net Income	$ 8,338	$ 10,097

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 2,304	$ 3,086
Receiv. net	47,880	46,006
*Inventories	77,180	75,759
Prepaid expenses	1,603	2,256
Current Assets	$ 128,967	$ 127,107
Investments	6,215	4,644
#Fixed assets	71,335	76,871
Other assets & defer. charges	1,643	646
Intangibles	6,195	6,195
Total Assets	$ 214,355	$ 215,463

Liabilities

	1981	1980
Notes payable & long-term debt, curr.	$ 11,030	$ 7,646
Accts. payable & accruals	28,931	31,421
Dividends payable	1,184	1,185
Income taxes	385	493
Curr. Liabilities	$ 41,530	$ 40,745
Long-term debt	47,661	51,927
Deferred inc. tax credits	3,173	3,038
Deferred inc. taxes	4,235	3,752
+ Preferred stock	8,214	8,459
+ + Common stock	13,393	13,172
Add paid-in capital	18,247	18,143
Retained earnings	94,023	90,418
Eq. adjust. from trans.	(1,947)	—
Treasury stock	(14,174)	(14,191)
Total Liabilities & Shareholders's Equity	$ 214,355	$ 215,463

‡ Restated.

* At cost (FIFO) or market, whichever is lower.

Less accumulated depreciation & amortization.

+ $10 par value; $2.60 cumulative convertible, Series A.

+ + $5 par value.

Statistical Summary

%Net Income to Equity	7.08	8.67
Sales to Inventories	4.15	4.17
Working Capital	$ 87,437,000	$ 86,362,000
Current Ratio	3.11	3.12
Shareholders' Equity	$117,756,000	$116,001,000

American Pacesetter

4540 Campus Drive
Newport Beach, California 92660
(714) 540-6712

Officers: R. Paul Toeppen, chairman of the board & treasurer; John W. Klug, president & chief exec. officer; Richard F. Holland, Landon M. Exley, v.p.'s; John R. Polen, secretary & chief financial officer, Donald W. Killian, Jr., asst. secretary.

Directors: R. Paul Toeppen, chairman; John W. Klug, Richard F. Holland, Landon M. Exley, Donald W. Killian, Jr., Henry K. Swenerton, David E. Alexander.

Areas of Work: Through its electronics subsidiary, American Electronics, Inc., manufactures film surveillance cameras and electronic power supplies for use in commercial, industrial and governmental applications.

Subsidiaries:

Pacesetter Homes, Inc.
4540 Campus Drive
Newport Beach, California 92660

American Electronics, Inc.
1600 East Valencia Drive
Fullerton, California 92634

Woodleaf Mortgage Co.
4540 Campus Drive
Newport Beach, California 92660

Pacesetter Realty, Inc.
4540 Campus Drive
Newport Beach, California 92660

Pacesetter Escrow Company, Inc.
4540 Campus Drive
Newport Beach, California 92660

Pacesetter Electornics, Inc.
3139 West Warner Avenue
Santa Ana, California 92704

Acquisition(s):

VSI Electronics International, Inc.
Santa Ana, California
Distributes a broad range of electronic components.

Transfer Agent(s):

J. Henry Schroder Bank & Trust Company
One State Street
New York, New York 10015

Stock Exchange(s): Pacific

Ticker Symbol: AECP

Number of Employees:

1981	450	1979	300
1980	325		

Plant Footage:*

1981	155,500 sq.ft.	1979	100,000
1980	100,000		

* Electronics only.

Sales and Earnings

	Revenues	Net Income
1981	$ 67,471,000	$ 3,416,000
1980	80,752,000	5,828,000
1979	61,420,000	4,138,000
1978	49,711,000	4,290,000
1977	46,298,000	5,446,000

	No. of Com. Shares #	Earn. per Share #
1981	2,396,000	$ 1.43
1980	2,818,000	2.07
1979	2,971,000	1.40
1978	3,149,000	1.36
1977	3,135,000	1.74

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	1-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 26,890,000	$ 11.22
1980	25,185,000	8.94
1979	22,164,727	7.46
1978	17,976,325	5.71
1977	14,752,788	4.71

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 55,027,000	$ 73,812,000
Rental income	1,960,000	—
Other income	10,484,000	6,940,000
Revenues	$ 67,471,000	$ 80,752,000
Cost of sales	45,124,000	60,146,000
Rental expense	4,592,000	—
Expenses	5,807,000	4,891,000
Interest expenses	5,174,000	3,682,000
Income before taxes	$ 6,774,000	$ 12,033,000
Income taxes	3,358,000	6,205,000
Net Income	$ 3,416,000	$ 5,828,000

* Included in Costs and Expenses, Depreciation and Amortization: $994,000 in 1981 and $448,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,343,000	$ 2,761,000
Accts. & other receiv.	8,401,000	2,605,000
*Inventories	9,032,000	2,262,000
Receivables from real est. sales	88,349,000	72,639,000
Real est. proj.	62,753,000	66,579,000
Oper. prop.	25,659,000	11,985,000
#Fixed assets	5,765,000	3,667,000
Other assets	633,000	726,000
Total Assets	$ 202,935,000	$ 163,224,000

Liabilities

	1981	1980
Notes payable	$ 135,142,000	$ 111,615,000
Accts. payable	8,112,000	5,832,000

Accruals	6,816,000	2,298,000
Unsecured note payable	6,475,000	2,000,000
Deferred inc. taxes	19,500,000	16,274,000
+Common stock	1,799,000	2,104,000
Retained earnings	25,091,000	23,081,000
Total Liabilities & Shareholders' Equity	$ 202,935,000	$ 163,224,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	10.04	14.90
%Net Income to Revenues	5.06	7.22
%Net Income to Equity	12.70	23.14
Shareholders' Equity	$26,890,000	$25,185,000

American Precision Industries Inc.

2777 Walden Avenue
Buffalo, New York 14225
(716) 684-9700

Officers: Robert J. Fierle, president; Joseph F. Baumgarden, exec. v.p.-operations; William F. Bensman, v.p.-admin.; William H. Edwards III, v.p.-pres., Delevan Div.; Richard P. Becht, v.p.-finance & treasurer; Robert E. Weld, controller; William A. Donovan, secretary; Virginia C. Pursell, assistant secretary; James W. Bevevino, president-Basco Division; David M. Parkhill, president-Deltran Division; Grant D. Applewhite, president-Air Quality Division.

Directors: Robert J. Fierle, chairman; William A. Donovan, John M. Henske, Don G. Mitchell, Clark Daugherty, C. Edgar Schabacker, Jr., Richard L. Signorelli, William P. Panny.

Areas of Work: Designs and manufactures ultraprecision mechanisms for military and commercial applications; principally, coil and transformer components, heat exchangers, electro-mechanical clutches and brakes, air pollution control and dust collection equipment.

Divisions:

Basco Division
2777 Walden Avenue
Buffalo, New York 14225
(716) 684-6700

Designs and manufactures standard and custom heat transfer products, such as heat exchangers and condensers for commercial and industrial use.

Delevan Division
270 Quaker Road
East Aurora, New York 14052
(716) 652-3600

Designer and manufacturer of microminiature coil and transformer products used mainly by computer manufacturers, producers of data communication systems, and as part of the electronics necessary for governmental space probes. Other products include miniature electromechanical brakes and clutches used in data processing equipment, aerospace control systems, voting machines and numerically-controlled machine tools.

Deltran Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9300

Designs and manufactures electromagnetic clutches and brakes for manufacturers of business machines, computer peripherals, aircraft and medical test equipment.

Air Quality Division
12037 Goodrich Drive
Charlotte, North Carolina 28210
also at:
Highway 11-E By-pass
Greeneville, Tennessee 37743
(615) 639-3175

Engaged in metal fabrication and assembly work. Product line includes jet pulse and far pulse type fabric collectors, centrifugal separators and cyclones. Produces air pollution control systems using the combined technologies of electrostatic precipitation and fabric filtration.

API of Florida
5801 Silver Springs Boulevard
Silver Springs, Florida 32688

Subsidiaries:

Dustex of Canada Inc.
698 Wilson Avenue
Kitchener, Ontario, Canada N2C-1H9
(519) 744-4031

Manufactures air pollution control equipment.

American Precision Industries (U.K.) Ltd.
Aldwych House
Aldwych
London WC2B 4JP, England

API Development Corporation
2777 Walden Avenue
Buffalo, New York 14225

Nitta-Apitron Co., Ltd. (50% owned)
4-30 Bakuro-Machi Higashi-Ku
Osaka 541 Japan

Transfer Agent(s):

Marine Midland Bank N.A.
New York, New York 10017

Stock Exchange(s): American

Ticker Symbol: APR

Number of Employees:

1981	840	1978	622
1980	770	1977	555
1979	652		

Plant Footage:

1981	303,400 sq. ft.	1978	221,650
1980	270,050	1977	221,650
1979	246,550		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 36,462,000	$ 2,727,000
1980	33,307,000	2,051,000
1979	29,052,000	1,668,000
1978	22,443,000	1,800,000
1977	22,442,205	1,455,764

	No. of Com. Shares	Earn. per Share‡ #
1981	1,530,000	$ 1.78
1980	1,529,000	1.34
1979	1,535,000	1.09
1978	1,533,000	1.18
1977	1,515,000	0.96

* 53 weeks.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend and stock split.
‡ Including extraordinary income of $425,000($0.42 per share) in 1978.

Revenues By Line of Business

	1981	1980	1979	1978
Indust. process equip.	61.5%	58.5%	63.9%	63.5%
Electronic components	38.5	41.5	36.1	36.5
Total	100.0%	100.0%	100.0%	100.0%

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.31 reg.	—	3-for-2
1980	0.27 reg.	—	—
1979	0.27 reg.	—	—
1978	0.23 reg.	20%	—
1977	0.17 reg. 0.05 spec.	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 12,796,000	$ 8.36
1980	10,523,000	6.88
1979	8,936,000	5.82
1978	7,673,000	5.01
1977	6,186,465	4.08

† Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	1/1/82	1/2/81 (53 weeks)
Net sales	$ 36,462,000	$ 33,307,000
Cost of sales	23,026,000	22,070,000
Expenses	8,578,000	7,489,000
Interest expense	137,000	128,000
Other income	(250,000)	(129,000)
Income before taxes	$ 4,971,000	$ 3,749,000
Income taxes	2,244,000	1,698,000
Net Income	$ 2,727,000	$ 2,051,000

* Included in Costs and Expenses, Depreciation and Amortization: $849,000 in 1981 and $694,000 in 1980.

Assets

As of	1/1/82	1/2/81
Cash & cert. of deposit	$ 2,424,000	$ 1,968,000
Accts. & notes	5,114,000	4,764,000
*Inventories	4,633,000	5,357,000
Deferred taxes and other	496,000	405,000
Current Assets	$ 12,667,000	$ 12,494,000
#Fixed assets	4,986,000	3,957,000
Other assets	249,000	193,000
Total Assets	$ 17,902,000	$ 16,644,000

Liabilities

Long-term debt, curr.	$ 62,000	$ 59,000
Accts. payable	2,414,000	2,975,000
Accruals	526,000	457,000
Accrued payroll	1,110,000	1,050,000
Dividends payable	122,000	112,000
Income taxes	600,000	634,000
Curr. Liabilities	$ 4,834,000	$ 5,287,000
Long-term debt	272,000	834,000
+Common stock	1,027,000	1,026,000
Add. paid-in capital	3,661,000	3,647,000
Retained earnings	8,161,000	5,903,000
Treasury stock	(53,000)	(53,000)
Total Liabilities & Shareholders' Equity	$ 17,902,000	$ 16,644,000

*At lower of cost (Industrial process equipment at LIFO, electronic components at FIFO) or market.
# Less accumulated depreciation.
+ $.66⅔ par value.

Statistical Summary

%Income before Taxes to Sales	13.63	11.26
%Net Income to Sales	7.48	6.16
%Net Income to Equity	21.31	19.49
Sales to Inventories	7.87	6.22
Working Capital	$ 7,833,000	$ 7,207,000
Current Ratio	2.62	2.36
Shareholders' Equity	$12,796,000	$10,523,000

American Science and Engineering, Inc.

955 Massachusetts Avenue
Cambridge, Massachusetts 02139
(617) 868-1600

Officers: Martin Annis, chairman of the board & president; Clayton R. Annis, v.p.-finance; Diane Whitney Beck, v.p.-administration; Billie J. Burnett, treasurer; Carolus M. Cobb, v.p.-chief chemist; Sylvia Cox, clerk; Edwin E. Frederick, v.p.-Instrument Systems Division; Ted E. Kirchner, v.p.-program development; Allen S. Krieger, v.p.-Space Systems Division; James E. Powers, v.p.-contracts & procurement; Henry Shapiro, sr. v.p.-ASEP Division; Jacob Shekel, v.p.-engineering.

Directors: Martin Annis, Carolus M. Cobb, Alvin S. Hochberg, Herman Feshbach, Ismael Escobar.

Divisions:

Instrument Systems Division
955 Massachusetts Avenue
Cambridge, Massachusetts 02139
(617) 868-1600

Designs and manufactures high technology products including MICRO DOSE® X-Ray Inspection Systems for the detection of contraband and X-Ray systems for medical instrumentation, including the AS&E Medical MICRO DOSE® X-Ray System.

ASEP Division
955 Massachusetts Avenue
Cambridge, Massachusetts 02139
(617) 868-1600

Produces loan management systems under the trade name ASEP®. This system is bidirectional, offers load status, automatic time-of-use metering,automatic load survey, and load control.

Space Systems Division
Arlington, Massachusetts

Designs and builds scientific equipment payloads for NASA, primarily in the field of X-Ray astronomy.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02106

Stock Exchange(s): American

Ticker Symbol: ASE

Number of Employees:

1981	218

Plant Footage:

1981	131,835 sq. ft.

Sales and Earnings

	Total Revenues +	Net Income #
1981	$ 24,962,000	$ 853,000
1980	24,352,000	(550,000)
1979	19,688,000	(859,000)
1978	19,663,000	(1,835,000)
1977	19,916,000	961,000

	No. of Com. Shares ‡	Earn. per Share ‡ #
1981	2,701,000	$ 0.32
1980	2,676,000	—
1979	2,626,000	—
1978	2,615,000	—
1977	2,545,000	0.38

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $123,000 ($0.05 per share) in 1981.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1981	1980
Energy & space system	$ 20,137,000	$ 15,527,000
X-Ray inspection & med. systems	4,825,000	8,825,000
Total	$ 24,962,000	$ 24,352,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	5%	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 11,152,000	$ 4.17
1980	10,109,000	3.84
1979	10,656,000	4.05
1978	11,429,000	4.36
1977	13,242,000	5.07

Income Account *

Year ended March 31	1981	1980
Total revenue	$ 24,962,000	$ 24,352,000
Cost of sales & contracts	18,533,000	17,686,000
Expenses	5,720,000	5,612,000
Oper. income	$ 709,000	$ 1,054,000
Other income	803,000	104,000
Income before taxes	$ 1,512,000	$ 1,158,000
Income taxes	782,000	573,000
Income from cont. oper.	$ 730,000	$ 585,000
Loss from discont. oper.	—	(1,135,000)
Net Income (Loss)	$ 730,000	$ (550,000)
Extraord. gain	123,000	—
Net Income (Loss) & Extraord. gain	$ 853,000	$ (550,000)

* Included in Costs and Expenses, Depreciation and Amortization: $946,000 in 1981 and $885,000 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 89,000	$ 103,000
Marketable securities	8,638,000	2,750,000
Accts. receiv., net	2,901,000	5,419,000
Unbilled costs & fees	189,000	366,000
Prepaid inc. taxes	754,000	215,000
* Inventories	2,596,000	3,693,000
Prepaid expenses	48,000	43,000
Assets of discont. oper.	61,000	594,000
Current Assets	$ 15,276,000	$ 13,183,000
#Fixed assets	4,689,000	1,529,000
Patent rights	1,367,000	1,800,000
Assets of discont. oper.	—	607,000
Total Assets	$ 21,332,000	$ 17,119,000

Liabilities

	1981	1980
Notes payable to bank	$ 2,350,000	$ —
Accts. payable	1,217,000	1,695,000
Accruals	2,296,000	1,442,000
Income taxes	866,000	—
Customers payments	2,860,000	3,732,000
Curr. Liabilities	$ 9,589,000	$ 6,869,000
Deferred inc. taxes	296,000	—
Deferred investment tax credits	205,000	141,000
Other	90,000	—
+ Common stock	1,912,000	1,887,000
Add. paid-in capital	7,185,000	7,020,000
Retained earnings	2,319,000	1,466,000
Treasury stock	(264,000)	(264,000)
Total Liabilities & Shareholders' Equity	$ 21,332,000	$ 17,119,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66⅔ par value.

Statistical Summary

% Income before Taxes to Sales	6.06	—
%Net Income to Sales	2.92	—
%Net Income to Equity	6.55	—
Working Capital	$ 5,687,000	$ 6,314,000
Current Ratio	1.59	1.92
Shareholders' Equity	$11,152,000	$10,109,000

American Standard Inc.

40 West 40th Street
New York, New York 10018
(212) 840-5100

Officers: William A. Marquard, chairman of the board, president & chief executive officer; John L. Grant, exec. v.p.-finance & adm.; John F. Geer, v.p., general counsel & secretary; Alan C. Root, sr. v.p.-operations services; Paul W. Kayser, v.p.-human resources; Robert J. Schaffhauser, v.p.-technology; James P. Sears, v.p.-corporate development; Dale F. Maycen, v.p.-auditing & management information services; Kenneth R. Todd, Jr., v.p. & controller; Jeanne M. Golly, v.p.-corporate communications; Richard H. Francis, v.p. & treasurer; Harry H. Steiner, v.p. & tax counsel.

Directors: E. Newton Cutler, Jr.*, James D. Hodgson, Augustine R. Marusi, William A. Marquard*, John L. Grant*, Monroe E. Spaght*, Donald J. Phillips,Paul Bancroft III, Richard A. Lenon, Wilbert A. Walker, Richard M. Cyert, Edward Donley*, William F. Laporte*, William J. Young.

* Member of Executive Committee.

Areas of Work: The Company produces railway, mass transit, and automotive braking and control devices; plumbing and other building products; earth- and ore-moving vehicles; industrial fluid power products; bank security systems; and graphic products.

Divisions and Subsidiaries:

Transportation Products Operations
3 Gateway Center
Pittsburgh, Pennsylvania 15222

Automotive Products Group
P.O. Box 91 12 80 D 3000
Hannover 91, Germany

WABCO Fahrzeugbremsen G.m.b.H.
Hannover, Germany

WABCO Westinghouse, A.B.
Nova, Sweden

WABCO Westinghouse, S.A.
Clay-Souilly, and Freinville-Sevran, France

WABCO Freni Veicoli Industriali, S.p.A.
Milan, Italy

WABCO Westinghouse G.m.b.H.
Vienna, Austria

WABCO Westinghouse A.G.
Bern, Switzerland

WABCO Westinghouse
Rotterdam, Holland
Clayton Dewandre Holdings Limited
Leeds, Rugby, Portsmouth, Lincoln and Lutterworth, England

WABCO-Freios para Autoveiculos Ltda.
Sao Paulo, Brazil

Industrial Products Group
5820 Main Street
Williamsville, New York 14221

WABCO Fluid Power Division
Lexington, Kentucky

American-Standard Heat Transfer Division
Buffalo, New York

American Standard Inc.

American-Standard Industrial Products Division
Dearborn, Michigan

American-Standard Industrial Products Division
Canada

WABCO Westinghouse S.A.
France

WABCO Tecniche di Automazione, S.p.A.
Italy

WABCO Westinghouse (U.K.) Ltd.
England

WABCO Steuerungstechnik G.m.b.H. & Co.
Germany

Railway Products Group
3 Gateway Center
Pittsburgh, Pennsylvania 15222

Westinghouse Air Brake Division
Wilmerding, Pennsylvania

Union Switch & Signal Division
Swissvale, Pennsylvania

Cardwell Westinghouse Division
Chicago, Illinois

WABCO Ltd.
Hamilton, Ontario, Canada

Canadian Cardwell Division
Fresinbra Industrial, S.A.
Brazil

WABCO Westinghouse, S.A.
France

WABCO Westinghouse Compagnia Freni, S.p.A.
Italy

WABCO Westinghouse
Belgium

WABCO Westinghouse Compagnia Italiana
Segnali, S.p.A.
Italy

Construction & Mining Equipment Operations
2301 N.E. Adams St.
Peoria, Illinois 61639

WABCO Construction and Mining Equipment Group
2301 N.E. Adams Street
Peoria, Illinois 61639

WABCO Australia Pty. Limited
Australia

WABCO Equipmentos
Brazil

WABCO Manufacturing
Belgium

WABCO Equipment of Canada
Canada

Security and Graphic Products Operations
7007 Preston Road
Dallas, Texas 75205

Mosler Security Systems Group
1561 Grand Boulevard
Hamilton, Ohio 45012

The Mosler Safe Company
Hamilton, Ohio

Airmatic & Electronic Systems Division
Wayne, New Jersey

Bank & Commercial Division
Hamilton, Ohio

Counter Systems Division
Buffalo, New York

Depository Division
Grandview, Missouri

Mosler International
Hamilton, Ohio

Mosler, S.A. de C.V., Mexico
Mosler de Puerto Rico
Mosler Canada

Graphic Products Group
11350 McCormick Road
Hunt Valley, Maryland 21031

Bank Check Division
Hunt Valley, Maryland

American Bank Stationery Co.
Hunt Valley, Maryland

Bankers Lithographing Company
Pittsburgh, Pennsylvania

Business Forms Division
Hunt Valley, Maryland

Bedinghaus Business Forms
Cincinnati, Ohio

Form on Willow Grove, Pennsylvania

Pioneer Business Forms
Tacoma, Washington

Woehrmyer Business Forms
Denver, Colorado

Marketing Services/Commercial Printing Division

Adcrafters, Inc.
Baltimore, Maryland

Frye & Smith, Ltd.
San Diego, California

Lebanon Valley Offset Co.
Annville, Pennsylvania

Stern Majestic Press
Philadelphia, Pennsylvania

Twin City Press
North Plainfield, New Jersey

Keller-Crescent Co.
Evansville, Indiana

Building Products Operations
P.O. Box 2003
New Brunswick, New Jersey 08903

United States Plumbing Products Group
P.O. Box 2003
New Brunswick, New Jersey 08903

European Plumbing Products Group
Boulevard du Souverain 348
1160 Brussels, Belgium

Ideal-Standard Limited
Hull, England

Ideal-Standard
Belgium

Ideal-Standard G.m.b.H.
Bonn, Germany

Ideal-Standard S.A.I.
Athens, Greece

Ideal-Standard S.p.A.
Milan, Italy

Building Specialties Group
9017 Blue Ash Road
Cincinnati, Ohio 45242

Modernfold
New Castle, Indiana

The Majestic Company
Huntington, Indiana

Steelcraft
Cincinnati, Ohio

International and Export Group
P.O. Box 2003
New Brunswick, New Jersey 08903

American-Standard Export Division
New Brunswick, New Jersey

American-Standard
Toronto, Canada

Ideal-Standard
Sao Paulo, Brazil

Ideal-Standard S.A. de C.V.
Mexico City, Mexico

American Standard Credit Inc.
Peoria, Illinois

Transfer Agent(s):
Morgan Guaranty Trust Company
of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: AST

Number of Employees:

1981	42,700	1978	48,600
1980	47,400	1977	46,400
1979	50,800		

Sales and Earnings +

	Revenues (000's)	Net Income‡ (000's)
1981	$2,471,346	$111,500
1980	2,673,589	138,000
1979	2,431,557	130,200
1978	2,110,860	105,500
1977	1,792,217	91,2005

	No. of Com. Shares #	Earn. per Share#‡
1981	27,366,709	$4.07
1980	27,576,765	5.00
1979	27,734,878	4.69
1978	28,008,086	3.76
1977	31,438,244	2.90

‡ Including extraordinary credit of $12,438,000 ($0.40 per share) in 1977.
+ Restated to reflect change in accounting method to comply with FASB Statement No. 52, "Foreign Curency Translation"
# Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Transportation products	$ 926,000	$ 1,159,000
Building prods.	768,000	787,000
Security & graphic products	467,000	418,000
Construction & mining equip.	310,000	310,000
Total	$ 2,471,000	$ 2,674,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$2.20	—	—
1980	2.00	--	2-for-1
1979	1.525	—	—
1978	1.175	—	—
1977	0.8625	—	—

+ Adjusted to reflect stock split.

Common Stock Equity †

	Total Equity ‡	Equity Per Share +
1981	$655,650,000	$23.96

1980	645,144,000	23.39
1979	593,420,000	21.40

† Restated.
‡ After allowing for preferred stock at aggregate liquidating values.
+ Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980†
Net sales	$ 2,471,346	$ 2,673,589
Cost of sales	1,916,466	2,049,409
Expenses	356,628	370,949
Interest income	(20,449)	(19,845)
Interest expense	34,335	32,679
Income bef. taxes	$ 184,366	$ 240,397
Income taxes	72,876	102,420
Net Income	$ 111,490	$ 137,977

* Included in Costs and Expenses, Depreciation: $14,952,000 in 1981 and $19,313,000 in 1980.
† Restated

Assets
(000's)

As of Dec. 31	1981	1980
Cash & securities	$ 87,565	$ 46,991
Accts. receiv., net	360,321	360,321
Future inc. tax benefits	44,967	44,529
*Inventories	342,306	393,507
Other assets	51,695	66,533
Current Assets	$ 886,854	$ 957,445
Investments	28,584	31,599
#Fixed assets	70,184	70,836
Other assets	36,814	34,756
Intangibles	551,849	497,839
Total Assets	$ 1,574,285	$ 1,592,475

Liabilities
(000's)

Loans payable	$ 24,338	$ 16,944
Long-term debt, curr.	15,005	13,585
Accts. payable	177,085	190,039
Accruals	140,611	130,327
Accrued payroll	103,525	115,743
Income taxes	38,693	57,820
Curr. Liabilities	$ 499,257	$ 524,458
Long-term debt	269,378	279,982
Minority interest	6,493	7,804
Reserves	76,706	79,392
Deferred inc. taxes	64,292	53,095
+Preferred stock	1,403	1,458
+ +Common stock	27,159	27,083
Add. paid-in capital	87,921	86,512
Retained earnings	559,112	507,428
Foreign curr. trans.	(17,436)	25,263
Total Liabilities & Shareholders' Equity	$ 1,574,285	$ 1,592,475

† Restated
* At lower of cost (LIFO) or realizable value.
# Less accumulated depreciation.
+ $100 par value, 7% cumulative.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.46	8.99
%Net Income to Sales	4.51	5.16
%Net Income to Equity	16.94	21.30
Sales to Inventories	7.22	6.79
Working Capital	$387,597,000	$432,987,000
Current Ratio	1.78	1.83
Shareholders' Equity	$658,159,000	$647,744,000

American Telephone & Telegraph Company

195 Broadway
New York, New York 10007
(212) 393-9800

Officers: Charles L. Brown, chairman of the board; William M. Ellinghaus, president; William S. Cashel, Jr., vice chairman of the board & chief financial officer; James E. Olson, vice chairman of the board; Thomas E. Bolger, Richard R. Hough, Charles Marshall, Charles E. Hugel, Kenneth J. Whalen, Morris Tannenbaum, executive vice presidents; Howard J. Trienens, v.p. & gen. counsel; Rex R. Reed, Jack A. Baird, Alfred C. Partoll, Paul M. Villiere, Bruce G. Schwartz, John G. Fox, James R. Billingsley, H. Weston Clarke, Jr., Edward M. Block, William G. Sharwell, Archie J. McGill, Robert W. Kleinert, John L. Segall, Randall L. Tobias, Sam R. Willcoxon, Walter B. Kelley, vice presidents; Robert N. Flint, vice president and comptroller; Virginia A. Dwyer, vice president and treasurer; Frank A. Hutson, Jr., secretary.

Directors: Charles L. Brown*, Edward W. Carter, Catherine B. Cleary, William M. Ellinghaus*, Edward B. Hanify, William A. Hewitt, Jerome H. Holland*, Belton K. Johnson, Rawleigh Warner, Jr.*, William S. Cashel, Jr., James H. Evans*, James E. Olson, Peter E. Haas, Juanita M. Kreps, Donald S. Perkins, Henry B. Schacht, Thomas H. Wyman.

* Member of Executive Committee.

Areas of Work: The principal business of American Telephone and Telegraph Company and its telephone subsidiaries is that of furnishing communication services, mainly telephone service. The Company is the parent company of the Bell System. The Company operates a network of cable, wire and radio circuits and related equipment for intercommunication between and through the territories of its telephone subsidiaries and of other telephone companies and for intercommunication between telephone systems in the United States and those in most other countries throughout the world. Western Electric Company, a subsidiary, is the manufacturing and supply unit of the Bell System. Bell Laboratories, also a subsidiary, is the research and development unit of the Bell System.

Subsidiaries:

Western Electric Company, Inc.
222 Broadway
New York, New York 10038

Bell Telephone Laboratories, Inc. (jointly owned by AT&T Western Electric)
600 Mountain Avenue
Murray Hill, New Jersey 07974

New England Telephone & Telegraph Company (86.0% owned)
New York Telephone Company
New Jersey Bell Telephone Company
The Bell Telephone Company of Pennsylvania
The Diamond State Telephone Company
The Chesapeake and Potomac Telephone Company of Maryland
The Chesapeake & Potomac Telephone Company of Virginia
The Chesapeake & Potomac Telephone Company of West Virginia
Southern Bell Telephone & Telegraph Company
South Central Bell Telephone Company
The Ohio Bell Telephone Company
Michigan Bell Telephone Company
Indiana Bell Telephone Company, Incorporated
Wisconsin Telephone Company
Illinois Bell Telephone Company
Northwestern Bell Telephone Company
Southwestern Bell Telephone Company
The Mountain States Telephone & Telegraph Company (88.6% owned)
Pacific Northwest Bell Telephone Company (89.4% owned)
The Pacific Telephone & Telegraph Company (89.8% owned) (including Bell Telephone Company of Nevada)

Affiliates:

The Southern New England Telephone Company (22.4% owned)
Cincinnati Bell Inc. (30.6% owned)

Transfer Offices:

American Telephone and Telegraph Company
180 Fulton Street
New York, New York 10007

250 Broadway
15th floor
New York, New York 10007

444 Hoes Lane
Piscataway, New Jersey 08854

Stock Exchange(s): New York, Boston, Philadelphia, Pacific, Midwest.

Ticker Symbol: T

Number of Employees:

1981	1,000,000	1978	985,000
1980	1,003,900	1977	946,085
1979	1,029,905		

Sales and Earnings ‡

	Operating Revenues (000's)	Net Income (000's)
1981	$ 59,229,000	$ 6,888,000
1980	51,755,000	6,058,000
1979	46,183,000	5,655,000
1978	41,744,000	5,262,000
1977	37,003,000	4,466,000

	No. of Com. Shares #	Earn. per Share #
1981	788,178,000	$ 8.55
1980	723,516,000	8.17
1979	686,109,000	8.01
1978	659,843,000	7.73
1977	625,878,000	6.84

‡ Restated to reflect change in ccounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$5.40	—	—
1980	5.00	—	—
1979	5.00	—	—
1978	4.60	—	—
1977	4.20	—	—

Common Stock Equity ‡

	Total Equity (000's)	Equity Share #
1981	$ 55,034,800	$ 69.83
1980	49,321,000	68.17
1979	44,383,000	64.69

‡ Restated.
# Based on average number of shares outstanding.

Income Account
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 58,213,800	$ 50,863,800
Expenses	39,345,600	34,304,800
Operating taxes	8,632,500	7,624,100
Operating income	$ 10,235,700	$ 8,934,900
Other income	(1,015,200)	(891,500)
Interest expense	4,362,800	3,768,100
Net Income	$ 6,888,100	$ 6,058,300

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 1,262,600	$ 1,007,000
Accts. receiv., net	7,831,200	6,783,400
*Inventories	1,171,600	1,017,900
Prepaid expenses	226,600	205,700
Current Assets	$ 10,492,000	$ 9,014,000
Investments	5,876,900	5,259,400
#Fixed assets	119,983,500	110,027,700
Defer. charges	1,397,100	1,251,800
Total Assets	$ 137,749,500	$ 125,552,900

Liabilities
(000's)

Long-term debt, curr.	$ 4,019,100	$ 4,342,100
Accts. payable	3,792,200	3,520,600
Advanced billing & customers' deposits	1,476,700	1,278,800
Accrued interest	1,094,100	994,600
Dividends payable	1,145,700	984,000
Accrued taxes	1,574,800	1,214,900
Other taxes	1,620,400	1,422,800
Deferred inc. taxes	348,000	383,600
Curr. Liabilities	$ 15,071,000	$ 14,141,400
Long-term debt	43,876,900	41,255,000
Deferred credits	20,899,700	17,929,000
Minority interest	968,800	946,800
+Pref. stock-subj. to mand. redemp.	1,562,500	1,575,000
+Pref. stock-subj. to redemp.	335,800	384,700
+ +Common stock	13,585,100	12,580,400
Add. paid-in capital	14,929,100	12,703,700
Reinvested earnings	26,520,600	24,036,900
Total Liabilities & Shareholders' Equity	$ 137,749,500	$ 125,552,900

‡ Restated.
* At average cost.
# Less accumulated depreciation.
+ $1 par value.
+ + $16⅔ par value.

Statistical Summary

%Net Income to Sales	11.83	11.91
%Net Income to Equity	12.44	12.19
Shareholders' Equity	$55,370,600,000	$49,705,700,000

Ametek, Inc.

410 Park Avenue
New York, New York 10022
(212) 935-8640

Operations Headquarters:
Station Square Two
Paoli, Pennsylvania 19301
(215) 647-2121

Officers: John H. Lux, chairman of the board and chief executive officer; Robert L. Noland, president; Russell R. Menard, sr. v.p.-finance; John P. Dandalides, sr. v.p.-Midwestern operations; Robert F. Lane, sr. v.p.-Eastern operations; Neal R. Stark, v.p.; Robert A. Russell, v.p.-marketing; Ferenc Schmidt, v.p.-technical director; Murray A. Luftglass, v.p.-corporate development; Allan Kornfeld, comptroller; Wallace E. Cowan, secretary; Robert J. Coffman, treasurer & asst. secretary.

Directors: Hulbert S. Aldrich, Helmut N. Friedlaender, Samuel Hoffman, Peter I.B. Lavan, Charles D. Klein, John H. Lux, Robert L. Noland, Anthony A. Sirna III, Leon S. Peters.

Divisions:

Electro Mechanical Group

Lamb Electric
627 Lake Street
Kent, Ohio 44240
(216) 673-3451
Fractional horsepower electric blower, gear and servo motors.

Lamb Electric
Water Street
Cambridge, Ohio 43725
(614) 439-1392
Vacuum motors for floor care equipment.

Lamb Electric
704 Myrtle Drive
Graham, North Carolina 27253
(919) 229-5591
Fractional horsepower electric motors.

Lamb Electric
2745 Chicory Road
Racine, Wisconsin 53403
(414) 554-6313
Vacuum and blower motors.

Los Angeles Die Casting
340 Crocker Street
Los Angeles, California 90013
(213) 624-2322
Custom aluminum and zinc die-casting.

Straza
790 Greenfield Drive
El Cajon, California 92021
(714) 442-3451
Aerospace components, electro-acoustic and cryogenic systems.

Lamb Electric
South Grensboro Street
Carrboro, North Carolina 27510
(919) 929-2153
Fractional horsepower motors.

Offshore Research & Engineering
1224 Coast Village Circle
Santa Barbara, California 93108
(805) 969-4775
Off shore systems engineering.

U.S. Bellows
9484 Mission Park Place
Santee, California 92071
(714) 449-0202

Precision Instruments Group

McCrometer
3255 W. Stetson Avenue
Hemet, California 92343
(714) 658-7178
Specialty Flowmeters.

Hunter Spring
One Spring Avenue
Hatfield, Pennsylvania 19440
(215) 822-2971
Patented springs, wire forms and reels.

Controls
860 Pennsylvania Boulevard
Feasterville, Pennsylvania 19047
(215) 355 6900
Electronic-pneumatic instruments, recorders, controllers.

Mansfield & Green
6185 Cochran Road
Solon, Ohio 44139
(216) 248-1020
Pressure testing and calibration instruments.

Microelectronics
605 S. Douglas Street
El Segundo, California 90245
(213) 640-2860

U.S. Gauge
900 Clymer Avenue
Sellersville, Pennsylvania 18960
(215) 257-6531
Aircraft, automotive and industrial pressure and temperature instruments.

U.S. Gauge
450 Polk Street
Bartow, Florida 33930
(813) 534-1504

DAN
2905 Blue Star Street
Anaheim, California 92806
(714) 630-0081
Thermisters, electronics.

THERMOX
6592 Hamilton Avenue
Pittsburgh, Pennsylvania 15206
(412) 361-7107
Oxygen measuring instruments and combustibles analyzers.

Process Equipment Group

Grand Prairie
Heat Transfer
2300 W. Marshall Drive
Grand Prairie, Texas 75050
(214) 647-2626
Heat exchangers.

Process Equipment
26531 Ynez Road
Temecula, California 92390
(714) 676-4011
Tollhurst, Niagara and Filtration Engineers liquid-solids separation equipment.

Texas Flange
1127 Siber Road
Houston, Texas 77055
(713) 686-9611
Machined steel pipe couplings and flanges.

Valley Foundry & Machine
2510 S. East Avenue
Fresno, California 93706
(209) 233-6135
Process and storage vessels, filters and pumps.

Schutte & Koerting
State Road & Traylor Avenue
Cornwells Heights, Pennsylvania 19020
(215) 639-0900
Jet apparatus, flow measuring instruments, valves and desuperheaters.

Schutte & Koerting
2381 Philmon Avenue
Bethayres, Pennsylvania 19006
(216) 947-1405
Heat exchangers and pollution control equipment.

Industrial Materials Group

Pacific Extrusion
1715 W. Beach Street
Watsonville, California 95076
(408) 724-2244
Extruded and custom-finished aluminum for automotive aircraft, appliance and communications industries.

Aluminum Extrusion
3024 Treadwell Street
Los Angeles, California 90065
(213) 255-1511
Aluminum extrusions.

Plymouth Products
502 Indiana Avenue
Sheboygan, Wisconsin 53081
(414) 457-9435
Proprietary plastic products for utility and traffic control uses; custom molding for original equipment manufacturers.

Westchester Plastics
Green Acres Industrial Park
Nesquehoning, Pennsylvania 18240
(717) 645-2191
Color compounding of plastic and elastomeric raw materials.

Westchester Plastics
14097 Cemetery Road
Wapakoneta, Ohio 45895
(419) 738-2141
Custom-formulated industrial plastic compounds.

Special Filaments
351 Telegraph Road
Odenton, Maryland 21113
(301) 569-4500
Monofilaments and thermoplastic materials.

Silicon Materials, Inc.
341 Moffett Boulevard
Mountain View, California 94043
(415) 965-9890
Supplier of semiconductor and solar energy cell materials.

Subsidiaries & Affiliates:

AMETEK (Canada) LTD.
Montreal, Quebec, Canada
Laundry equipment for commercial, hospital and hotel installations; drycleaning equipment.

AMETEK, G.m.b.H.
Wiesbaden, Germany
Management and marketing for AMETEK's foreign operations.

Ketema, Ltd.
Hamilton, Bermuda

Metron, S.A.
Naucalpan de Juarez, Mexico
AMETEK-licensed instruments in Latin America.

Rodan Industries, Inc.
Anaheim, California
Manufactures thermistors, a solid-state device which produces precise changes in electrical resistance as temperatures increase or decrease.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: AME

Number of Employees:

1981	7,000	1978	6,300
1980	6,700	1977	6,100
1979	7,300		

Sales and Earnings

	No. of Com. Shares ‡	Earn. per Share †
1981	$ 10,885,134	$ 2.44
1980	10,787,939	2.02
1979	10,658,892	2.11
1978	10,530,428	1.85
1977	10,430,986	1.66

	Net Sales	Net Income
1981	$ 448,086,239	$ 26,487,753
1980	400,179,564	21,664,884
1979	392,872,657	22,442,356
1978	320,701,403	19,402,149
1977	298,650,885	17,215,380

‡ Adjusted to reflect stock split.
† Based on average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Electro-mechanical	$ 144,294,000	$ 137,885,000
Process equipment	78,189,000	70,742,000
Precision instruments	120,414,000	108,076,000
Industrial materials	105,189,000	83,477,000
Total	$ 448,086,000	$ 400,180,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.05	—	—
1980	1.00	—	—
1979	0.925	—	2-for-1
1978	0.825	—	—
1977	0.725	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 143,436,505	$ 13.18
1980	126,670,134	11.74
1979	114,171,081	10.71
1978	100,426,690	9.54
1977	88,827,036	8.52

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 448,086,239	$ 400,179,564
Cost of sales	345,787,869	313,056,333
Expenses	41,910,607	35,344,001
Depreciation	10,083,284	8,568,593
Other charges (income)	(1,345,274)	951,753
Income before taxes	$ 51,649,753	$ 42,258,884
Income taxes	25,162,000	20,594,000
Net Income	$ 26,487,753	$ 21,664,884

Assets

As of Dec. 31	1981	1980
Cash	$ 42,562,160	$ 43,411,473
Accts. & notes receiv., net	53,882,790	58,232,238
*Inventories	58,271,754	47,760,631
Prepaid expenses & deposits	6,018,730	4,636,712
Current Assets	$ 160,735,434	$ 154,041,054
#Fixed assets	93,619,806	87,642,691
Other assets	10,988,135	12,320,905
Total Assets	$ 265,343,375	$ 254,004,650

Liabilities

Long-term debt, curr.	$ 1,921,000	$ 2,018,000
Accts. payable	21,338,179	25,825,403
Accruals	28,229,648	24,421,040
Income taxes	195,100	6,795,701
Curr. Liabilities	$ 51,683,927	$ 59,060,144
Long-term debt	54,446,943	56,119,372
Deferred inc. taxes	15,776,000	12,155,000
+Common stock	11,093,668	10,995,773
Add. paid-in capital	6,946,394	5,356,657
Retained earnings	126,616,923	111,538,184
Treasury stock	(1,220,480)	(1,220,480)
Total Liabilities & Shareholders' Equity	$ 265,343,375	$ 254,004,650

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.53	10.56
%Net Income to Sales	5.91	5.41
%Net Income to Equity	18.47	17.10
Sales to Inventories	7.69	8.38
Working Capital	$109,051,507	$ 94,980,910
Current Ratio	3.11	2.61
Shareholders' Equity	$143,436,505	$126,670,134

AMF Incorporated

777 Westchester Avenue
White Plains, New York 10604
(914) 694-9000

Officers: W. Thomas York, chairman & chief executive officer; Ray A. Tritten president & chief operating officer; Merlin E. Nelson, vice chairman-planning & foreign affairs; Stanley Groner, exec. v.p.-admn.; Hans W. Lange, exec. v.p.-operations, Industrial Technology; William P. Sovey, exec. v.p.-operations, Leisure products; John R. Mummert, H. David Calley, George J. Kaltner, Robert J. Conway, Frederick A. Poss, Bill W. Sorenson, vice presidents & group executives; Frank C. Chillrud, vice president & treasurer; Raymond S. Babayan, v.p.-management info. systems; Eldon E. Fox, v.p.-public affairs; Bradley E. Hosmer, v.p.-group services; Roy C. Reeves, v.p.-marketing; Thomas W. Butler, Jr., v.p.-engineering & research; J. Edward Sheridan, v.p.-finance; Bernard E. Connor, v.p.-international trade operations; John S. Johnson, v.p. & general counsel; Gary B. Ward, v.p.-planning & corp. development; Paul B. Haigwood, vice president & secretary;Timothy C. Sullivan, v.p.-human resources; Hugh F. Regan, v.p. & conroller.

Directors: W. Thomas York, chairman of the board; William H. Bricker, David W. Mitchell, Ray A. Tritten, John L. Huck, Roy M. Huffington, Ralph S. Saul, John F. McGillicuddy, Merlin E. Nelson, Herbert P. Patterson, Barbara Knowles Debs, Francis C. Rooney, Jr., Rodney C. Gott, Andrew C. Sigler.

Electronic & Related Divisions & Subsidiaries:

Paragon Electric Company
606 Parkway Boulevard
Two Rivers, Wisconsin 54241
(414) 793-1161
Electric timing devices; time controls; time switches; defrost controls; cycle repeaters; interval, reset and sequence timers; time delay relays; synchronous clock and drive-type motors; shaded pole motors; photo-electric controls; security devices; permanent magnet motors; ground fault circuit interrupters.

Potter & Brumfield Division
200 Richland Creek Drive
Princeton, Indiana 47671
(812) 386-1000
"P & B" electro-mechanical relays, including general purpose, power, special purpose, sensitive, high performance, dry reed, mercury-wetted reed, and telephone types. Solid state time delays; sequence and voltage sensors. All solid state and hybrid relays. Precision snap-action switches. Custom control assemblies; circuit breakers.

UID Electronics Division
4105 Pembroke Road
Hollywood, Florida 33021
(305) 981-1211
Electro-mechanical switches for appliances, home entertainment equipment and electronic instrumentation.

RCL Electronics Division
700 South 21st Street
Irvington, New Jersey 07111
(201) 374-3311
Precision and power wire-wound resistors, resistive networks, delay lines, and electromechanical rotary and programmable switches.

Industrial Equipment and Services
AMF Cuno Division
400 Research Parkway
Meriden, Connecticut 06450
(203) 237-5541
Industrial and domestic filters and strainers for liquids and gases; demineralizers and reverse osmosis systems for industrial water conditioning.

AMF Tuboscope, Inc.
2919 Holmes Road
Houston, Texas 77001
(713) 749-5100
Field inspection services for oil field tubular goods, automated equipment for production line inspection of welded and seamless tubular goods; in-place inspection of pipe lines; plastic coatings for tubular goods, tanks and other metal products.

AMF Geo Space
Houston, Texas
Manufactures geophones used in seismic exploration.

AMF Incorporated

AMF York Division
1425 Eden Road York, Pennsylvania 17402
(717) 848-1177

Manufacture automatic handling and processing equipment; automatic bowling pinspotter and related lane equipment; commercial and government contract products.

AMF Tire Equipment Division
P.O. Box 1142
Santa Ana, California 92702
(714) 544-6900

Orbitread electronic treadmaker automates the application of tread rubber to used and new tire casings for off-the-road, truck and passenger tires.

Logic Sciences, Inc.
Houston, Texas

Manufactures graphic data processing and display systems for the petroleum industries.

Cullum Services, Inc.
Bakersfield, California

Engaged in the manufacture, licensing and operation of oil field service equipment.

Acquisition(s):

Geo Space Corporation
Houston, Texas

High technology seismic equipment including geophones.

Logic Sciences, Inc.
Houston, Texas

Manufactures graphic data processing and display systems for the petroleum industries.

Transfer Agent(s):

Manufacturers Hanover Trust Company
(common and preferred stock)
4 New York Plaza
New York, New York 10015

Continental Illinois National Bank and Trust
Company of Chicago (common stock)
30 North LaSalle Street
Chicago, Illinois 60693

Bank of America National Trust and Savings
Association (common stock)
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: AMF

Number of Employees:

1981	21,320	1978	28,580
1980	26,040	1977	30,152
1979	29,138		

Sales and Earnings ‡

	Revenues + (000's)	Net Income + (000's)
1981	$ 1,271,556	$ 67,246
1980	1,210,692	53,774
1979	1,137,525	48,523
1978	1,028,762	40,104
1977	954,402	36,169

	No. of Com. Shares #	Earn. per Shares # +
1981	22,777,007	$ 2.95
1980	22,455,212	2.39
1979	22,290,184	2.17
1978	22,163,001	1.81
1977	22,051,369	1.64

‡ Restated to include operations of companies acquired on a pooling of interest basis and to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translations.
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Bowling prods.	$ 158,610	$ 145,426
Marine prods.	88,967	69,452
Sports prods.	212,925	231,202
Wheel goods & lawn & garden prods.	119,752	160,910
Automated process equipment	113,160	137,377
Electronic controls & systems	189,390	191,448
Energy serv. & prods.	306,704	200,521
Specialty materials	82,048	74,356
Total	$ 1,271,556	$ 1,210,692

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.27	—	—
1980	1.24	—	—
1979	1.24	—	—
1978	1.24	—	—
1977	1.24	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share +
1981	$ 453,027,000	$ 19.89
1980	448,961,000	19.99
1979	412,921,900	18.52
1978	388,131,000	17.51

† Restated
‡ After allowing for preferred stock at par value.
+ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,235,123	$ 1,176,338
Rentals	36,433	34,354
Total income	$ 1,271,556	$ 1,210,692
Cost of sales & operating expenses	820,202	790,610
Expenses	293,080	276,506
Depreciation & amortization	48,862	41,732
Other income	(20,578)	(15,558)
Interest expense	21,249	26,155
Income before taxes	$ 108,741	$ 91,247
Income taxes	41,495	37,473
Inc.—cont. oper.	$ 67,246	$ 53,774
Inc. (loss)—discont. oper.	(37,300)	4,242
Cum. effect of change in accounting method	12,035	—
Net Income	$ 41,981	$ 58,016

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & short-term invest.	$ 41,764	$ 37,595
Notes and accounts receiv. net	316,399	318,689
*Inventories	166,815	152,747
Prepaid expenses	27,362	18,657
Current Assets	$ 552,340	$ 527,688
Assets of discont. oper.	7,055	99,776
#Fixed assets	325,038	269,297
#Machines leased to customers	18,839	19,228
Other assets	47,815	32,335
Total Assets	$ 951,087	$ 948,324

Liabilities
(000's)

Notes payable	$ 9,614	$ 18,224
Long-term debt, curr.	15,221	20,887
Accts. payable	107,414	75,124
Accruals	142,171	126,628
Income taxes	35,439	50,252
Curr. Liabilities	$ 309,859	$ 291,115
Long-term debt	143,149	156,930
Cap. lease oblig.	13,412	14,245
Deferred inc. taxes	29,840	35,073
+Preferred stock	1,800	2,000
+ +Common stock	41,966	41,172
Add. paid-in capital	74,803	70,525
Retained earnings	371,965	358,682
For. curr. transl.	(8,021)	8,722
Treasury stock	(27,686)	(30,140)
Total Liabilities & Shareholders' Equity	$ 951,087	$ 948,324

‡ Restated
* At lower of cost or market. Domestic inventories at LIFO, other inventories at FIFO or average.
# Less accumulated depreciation.
+ $100 par value; $3.90% cumulative.
+ + $1.75 par value.

Statistical Summary

%Net Income to Equity	9.23	12.86
Sales to Inventories	7.40	7.70
Working Capital	$242,481,000	$236,573,000
Current Ratio	1.78	1.81
Shareholders' Equity	$454,827,000	$450,961,000

AMP Incorporated/Pamcor, Inc.

Eisenhower Boulevard
Harrisburg, Pennsylvania 17105
(717) 564-0100

Officers: J.D. Brenner, chairman of the board & chief executive officer; Walter F. Raab, vice chairman & chief financial officer; Harold A. McInnes, president & chief operating officer; Herman C. Haas, v.p.-director of marketing; John E. Eberle, v.p.-operations; Mark L. Miller, treasurer; Benjamin Savidge, v.p. & controller; Hugo A. Walfred, secretary & general legal counsel; Gerald F. Englehart, v.p.-international.

Directors: J.D. Brenner*, Alexander P. Hixon, R.E. Jordan, Walter F. Raab*, R.D. DeNunzio, J.J. Burdge, Harold A. McInnes*, William S. West, C.J. Fredricksen*.

*Member of the Executive Committee.

Areas of Work: The company produces electrical and electronic connections, switching and programming devices-including solderless terminals, splices, packaging and interconnection devices, multiple and coaxial connectors, switches and programming systems-and the application tools and machines to attach these devices to wires, cables, or circuit boards. It also produces electronic power units and other electrical/electronic components.

Subsidiaries:

AMP Products Corporation
Valley Forge, Pennsylvania

AMP Keyboard Technologies, Inc.
Burlington, Massachusetts

AMP of Canada, Ltd.
Toronto, Canada

AMP de France
Paris, France

AMP Holland B.V.
s'Hertogenbosch, The Netherlands

AMP of Great Britain Limited
London, England

AMP Italia S.p.A.
Turin, Italy

AMP Deutschland G.m.b.H.
Frankfurt, West Germany

AMP Espanola, S.A.
Barcelona, Spain

AMP (Japan), Ltd.
Tokyo, Japan

Australian AMP Pty, Limited
Sydney, Australia

AMP de Mexico, S.A.
Mexico City, D.F. Mexico

AMP S.A. Argentina
Buenos Aires, Argentina

AMP Finland OY
Helsinki, Finland

AMP do Brasil Ltda.
Sao Paulo, Brazil

AMP A.G.
Lucerne, Switzerland

AMP Osterreich Ges.m.b.H.
Vienna, Austria

AMP Norge A/S
Oslo, Norway

AMP Svenska A.B.
Stockholm, Sweden

AMP Singapore Pte. Ltd.
Singapore

AMP Taiwan
Taipei, Taiwan

AMP Belgium*
Brussels, Belgium

AMP Denmark*
Viby, Denmark

AMP Products Pacific Ltd.
Hong Kong

AMP Ireland Limited
Dublin, Ireland

New Zealand AMP Ltd.
Auckland, New Zealand

* Branch of AMP-Holland B.V.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

The Continental Stock Transfer and Trust Company
30 Montgomery Street
Jersey City, New Jersey 07302

Stock Exchange(s): New York

Ticker Symbol: AMP

Number of Employees:

1981	19,650	1978	16,925
1980	18,650	1977	15,075
1979	18.625		

Plant Footage:

1981	7,000,000 sq. ft.	1978	5,400,000
1980	6,300,000	1977	5,000,000
1979	5,900,000		

Sales and Earnings †

	Net Sales	Net Income
1981	$ 1,234,295,000	$ 134,800,000
1980	1,155,382,000	123,700,000
1979	1,013,241,000	120,900,000
1978	801,066,000	97,700,000
1977	632,975,000	75,900,000

	No. of Com. Shares	Earn. per Share ‡
1981	35,900,000	$ 3.75
1980	36,000,000	3.44
1979	36,000,000	3.35
1978	36,200,000	2.67
1977	36,700,000	2.06

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$1.20	—	—
1980	1.00	—	—
1979	0.76	—	—
1978	0.60	—	—
1977	0.48	—	—

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 660,500,000	$ 18.40
1980	577,700,000	16.05
1979	494,400,000	13.73
1978	394,200,000	10.89
1977	334,800,000	9.12

‡ Restated to reflect change in accounting method.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$1,234,295,000	$1,155,382,000
Cost of sales	757,763,000	700,910,000
Expenses	236,689,000	223,934,000
Interest expense	13,101,000	14,237,000
Other income	(14,218,000)	(6,812,000)
Income before taxes	$ 240,960,000	$ 223,113,000
Income taxes	106,190,000	99,450,000
Net Income	$ 134,770,000	$ 123,663,000

* Included in Costs and Expenses, Depreciation: $50,452,000 in 1981 and $43,667,000 in 1980.
‡ Restated to reflect change in accounting method.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 9,136,000	$ 12,515,000
Marketable securities	103,678,000	62,742,000
Time deposits	36,790,000	16,771,000
Receiv., net	225,141,000	208,475,000
*Inventories	267,610,000	284,834
Other curr. assets	17,742,000	19,140,000
Current Assets	$ 660,097,000	$ 604,477,000
Investments & other assets	2,430,000	764,000
#Fixed assets	362,884,000	323,423,000
Total Assets	$1,025,411,000	$ 928,664,000

Liabilities

Loans & notes payable	$ 33,406,000	$ 30,134,000
Long-term debt, curr.	4,606,000	2,134,000
Accts. payable	69,829,000	60,305,000
Accruals	19,127,000	17,127,000
Accrued payroll	41,344,000	35,386,000
Accrued inc. taxes	81,080,000	76,405,000
Curr. Liabilities	$ 249,392,000	$ 241,491,000
Long-term debt	56,070,000	50,053,000
Invest. tax credit	12,655,000	10,696,000
Deferred income	16,464,000	22,845,000
Deferred inc. taxes	30,320,000	25,929,000
+Common stock	12,480,000	12,480,000
+ +Common Stock	20,000	20,000
Add. paid-in capital	25,755,000	3,729,000
Cum. trans. adj.	(11,633,000)	7,876,000
Retained earnings	679,426,000	587,815,000
Treasury stock	(45,538,000)	(34,270,000)
Total Liabilities & Shareholders' Equity	$1,025,411,000	$ 928,664,000

‡ Restated to reflect change in accounting method.
* At lower of cost (average) or market.
# Less accumulated depreciation.
+ No par value, AMP Incorporated.
+ + $1 par value, Pamcor, Inc.

Statistical Summary

%Income before Taxes to Sales	19.52	19.31
%Net Income to Sales	10.92	10.70
%Net Income to Equity	20.40	21.41
Sales to Inventories	4.61	4.06
Working Capital	$410,705,000	$362,986,000
Current Ratio	2.65	2.50
Shareholders' Equity	$660,510,000	$577,650,000

Analog Devices, Inc.

Route 1 Industrial Park
P.O. Box 280
Norwood, Massachusetts 02062
(617) 329-4700

Officers: Ray Stata, chairman of the board & president; Joseph M. Hinchey, sr. v.p.-finance; Lawrence T. Sullivan, sr. v.p.-corporate development & gen. mgr., Analog Devices Enterprises; Heinrich F. Krabbe, v.p.-new business development; Crawford W. Beveridge, v.p.-human resources; A. Graham Sterling, v.p.-strategic planning; Jerald G. Fishman, v.p. & gen. mgr., Analog Devices Semiconductor; John Corsi, group v.p.-data acquisition products; James R.F. Kunkemueller, treasurer; Melvin J. Sallen, group v.p.-sales; Paul P. Brountas, clerk.

Directors: Matthew Lorber, Ray Stata, Philip L. Lowe, Peter A. Hager, Gorden C. McKeague.

Areas of Work: Designs, manufactures and markets electronic components and subsystems used for the acquisition, conditioning, conversion, transmission and display of analog and digital data in precision measurement and control systems. Its products fall into three broad classes: Computer Interface products -analog-to-digital and digital-to-analog converters and accessories which interconnect physical analog data to digital computers; analog products -operational amplifiers, instrumentation amplifiers, multipliers and dividers which modify analog data; and Modular Instruments -devices such as digital panel meters which convert analog signals into digital form and display the information so that it is readable.

Subsidiaries:

Analog Devices Limited
Central Avenue
East Molesey
Surrey, England

Analog Devices, GmbH
Mozartstrasse 17
8000 Munich 2
Germany

Analog Devices, S.A.
Centre D-Affaires SILIC
3, Rue Le Corbusier
94533 Rungis Batiment Berne
France

Analog Devices of Japan, Inc.
Jibiki Building
7-8 Kojimachi 4-chome
Chiyoda-ku, Tokyo, Japan

Analog Devices, A/S
Marielundvej 46D
2730 Herlev
Denmark

Analog Devices, Inc.

Analog Devices Benelux
Heerbaan 222
Breda, Holland

Analog Devices Benelux
Jan van Rijswijcklaan 278
2020 Antwerpen Belgium

Analog Devices S.A.
2 Rue de Berne
1201 Geneva, Switzerland

Analog Devices B.V.
Raheen Industrial Estate
Limerick, Ireland

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: ADI

Number of Employees:

1981	2,735	1978	1,583
1980	2,726	1977	1,343
1979	2,161		

Plant Footage:

1981	591,000 sq. ft.	1978	295,000
1980	390,000	1977	176,000
1979	390,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 156,236,000	$ 4,589,000
1980	135,660,000	9,298,000
1979 *	100,281,000	7,044,000
1978	66,153,000	4,441,000
1977	50,427,713	2,630,000

	No. of Com. Shares #	Earn. per Share #
1981	9,156,138	$ 0.50
1980	8,429,401	1.10
1979	7,980,020	0.88
1978	7,506,206	0.59
1977	6,617,044	0.40

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
* 53 weeks.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business

	1981	1980	1979	1978
Signal conditioning	35%	38%	43%	53%
Computer interface	53	50	47	39
Instruments and systems	12	12	10	8
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4
1980	—	—	5-for-4
1979	—	—	2-for-1
1978	—	15%	—
1977	—	5%	—

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1981	$ 65,323,000†	$ 7.13
1980	48,842,000	5.72
1979	33,103,000	4.18
1978	24,054,000	3.36
1977	18,910,000	2.75

‡ Restated.
† After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended	10/31/81	11/1/80 ‡
Net sales	$ 156,236,000	$ 135,660,000
Cost of sales	81,523,000	65,145,000
Expenses	57,017,000	48,539,000
Other expense (income)	(6,000)	335,000
Interest expense	10,205,000	6,407,000
For. curr. losses	710,000	206,000
Income before taxes	$ 6,787,000	$ 15,028,000
Income taxes	2,198,000	5,050,000
Minority interest	—	680,000
Net Income	$ 4,589,000	$ 9,228,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,246,000 in 1981 and $6,267,000 in 1980.
‡ Restated.

Assets

As of	10/31/81	11/1/80 ‡
Cash	$ 451,000	$ 601,000
Accts. receiv., net	33,020,000	34,792,000
* Inventories	44,505,000	41,511,000
Prepaid expenses	1,295,000	790,000
Prepaid taxes	1,197,000	600,000
Current Assets	$ 80,468,000	$ 78,294,000
# Fixed assets	51,826,000	42,341,000
Investments	5,807,000	—
Defer. charges & other assets	3,009,000	1,401,000
Intangibles	3,791,000	3,948,000
Total Assets	$ 144,901,000	$ 125,984,000

Liabilities

Notes payable	$ 389,000	$ 941,000
Oblig. under cap. leases	767,000	946,000
Accts. payable	8,320,000	9,421,000
Accruals	6,615,000	7,668,000
Income taxes	2,643,000	4,216,000
Curr. Liabilities	$ 18,734,000	$ 23,192,000
Long-term debt	49,774,000	48,257,000
Oblig. under cap. leases	3,299,000	4,068,000
Deferred inc. taxes	1,774,000	1,409,000
Other liabilities	250,000	216,000
+ Preferred stock	6,000	—
+ + Common stock	1,522,000	1,149,000
Add. paid-in capital	40,098,000	22,778,000
Retained earnings	29,651,000	25,062,000
Treasury stock	(207,000)	(147,000)
Total Liabilities & Shareholders' Equity	$ 144,901,000	$ 125,984,000

‡ Restated.
* At lower of cost or market. LIFO cost for Irish and most U.S. inventories; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.
+ + $0.16⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	4.34	11.08
%Net Income to Sales	2.94	6.80
%Net Income to Equity	6.46	18.89
Sales to Inventories	3.51	3.27
Working Capital	$61,734,000	$55,102,000
Current Ratio	4.30	3.38
Shareholders' Equity	$71,070,000	$48,842,000

Analogic Corporation

Audubon Road
Wakefield, Massachusetts 01880
(617) 246-0300

Officers: Bernard M. Gordon, chairman of the board & president; Bernard L. Friedman, vice chairman; John A. Tarello, sr. v.p. & controller; C. Frederic Young, v.p. & treasurer; Martyn E. Culverhouse, Harold S. Goldberg, Paul G. Lucas, Leopold Neumann, Edmund F. Becker, Jr., Horst Seperant, Daniel Abenaim, Barry R. Gorsun, Richard F. Powell, Herbert S. Sobel, v.p.'s; Irving J. Helman, clerk.

Directors: Bernard M. Gordon, Benard L. Friedman, C. Frederick Young, John A. Tarello, Martyn E. Culverhouse, Jules J. Schwartz, Gerald L. Wilson, Vessarios Chigas.

Areas of Work: Engaged in the design, manufacture, and marketing of advanced precision data conversion, and computer-based signal processing instruments and equipments, which are used to acquire, condition, translate, compute, interpret, store, transmit, or display critical data in modern industrial, scientific, medical, communications and other system applications.

Subsidiaries:

Analogic Limited
68 High Street
Weybridge, KT13 8BN, England

Analogic International, Inc.
Audubon Road
Wakefield, Massachusetts 01880

Analogic GmbH
Daimlerring 2
6200 Wiesbaden
Nordenstadt, Germany

Analogic AG
Kanalstrasse 15, Postfach
CH-8152 Glattbrugg, Switzerland

Transfer Agent(s):

New England Merchants National Bank

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOG (NASDAQ)

Number of Employees:

1981	1,510	1978	726
1980	1,400	1977	425
1979	1,200		

Plant Footage:

1981	240,000 sq. ft.	1980	208,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 82,860,660	$ 8,797,265
1980	67,010,421	6,029,896
1979	48,615,079	4,528,005
1978	35,145,889	3,020,387
1977	24,300,308	1,819,018

	No. of Com. Shares +	Earn. per Share +
1981	8,189,522	$ 1.07
1980	6,889,326	0.88
1979	6,621,420	0.68
1978	6,543,968	0.46
1977	6,475,720	0.28

+ Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	2-for-1
1979	—	—	2-for-1
1978	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 56,922,708	$ 6.95
1980	28,119,040	4.08

1979	13,778,800	2.08
1978	8,764,583	1.34

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 82,860,660	$ 67,010,421
Cost of sales	46,418,491	38,599,606
Expenses	21,819,936	16,574,532
Interest expense	34,668	1,463,287
Income before taxes	$ 14,587,565	$ 10,372,996
Income taxes	5,790,300	4,343,100
Net Income	$ 8,797,265	$ 6,029,896

* Included in Costs and Expenses, Depreciation and Amortization: $2,156,008 in 1981 and $1,531,580 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 9,426,636	$ 978,503
Accts. receiv., net	22,590,100	17,690,721
*Inventories	26,472,200	20,930,,541
Prepaid expenses	306,580	152,196
Deferred inc. taxes	321,454	260,217
Current Assets	$ 59,116,970	$ 40,012,178
#Fixed assets	15,409,841	11,293,317
Other assets	165,165	93,453
Total Assets	$ 74,691,976	$ 51,398,948

Liabilities

	1981	1980
Notes payable	$ 715,236	$ 587,921
Cap. lease oblig. curr.	164,065	140,924
Accts. payable	5,563,862	6,446,980
Accruals	998,787	1,055,846
Cust. deposits	1,087,325	681,470
Accrued payroll	1,314,535	1,334,172
Income taxes	1,714,455	2,792,933
Curr. Liabilities	$ 11,558,265	$ 13,040,246
Long-term debt	—	5,000,000
Cap. lease oblig.	5,917,952	5,068,338
Deferred inc. taxes	293,051	171,324
+Common stock	437,301	398,000
Add. paid-in capital	30,179,116	10,212,014
Retained earnings	26,360,948	17,563,683
Treasury stock	(54,657)	(54,657)
Total Liabilities & Shareholders' Equity	$ 74,691,976	$ 51,398,948

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.60	15.48
%Net Income to Sales	10.62	9.00
%Net Income to Equity	15.45	21.44
Sales to Inventories	3.13	3.20
Working Capital	$47,558,705	$26,971,932
Current Ratio	5.11	3.07
Shareholders' Equity	$56,922,708	$28,119,040

Anaren Microwave, Inc.

6635 Kirkville Road
Syracuse, New York 13057
(315) 432-8909

Officers: Hugh A. Hair, president, Carl W. Gerst, Jr., exec. v.p. & treasurer; William J. Mackay, secretary.

Directors: Hugh A. Hair, Carl W. Gerst, Jr., William J. Mackay, Abraham Manber, Solomon Manber, Lawrence G. Mohr, Jr.

Areas of Work: Designs, engineers and manufactures microwave components and completely integrated microwave assemblies used in sophisticated microwave installations. The Company's microwave componentry is utilized in navagation, fire-control radar, electronic countermeasures, electronic surveillance, telemetry, instrumentaion and communications systems.

Subsidiary:

Anaren Microwave, Ltd.
Unit 2 Blackwater Way
Aldershot Hants. GU12 4DK
England

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANEN (NASDAQ)

Number of Employees:

1981	292	1978	170
1980	270	1977	170
1979	240		

Plant Footage:

1981	42,000 sq. ft.	1978	21,000
1980	37,000	1977	21,000
1979	32,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 11,236,959	$ 670,375
1980	8,304,306	427,597
1979	6,960,848	302,048
1978	5,095,396	175,395
1977	5,332,011	267,345

	No. of Com. Shares	Earn. per Shares #
1981	3,120,726	$ 0.21
1980	2,844,914	0.15
1979	2,843,658	0.11
1978	2,870,230	0.06
1977	3,074,764	0.09

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity # Per Share
1981	$ 7,379,431	$ 2.36
1980	5,459,056	1.92
1979	5,030,019	1.77
1978	4,728,428	1.65
1977	4,689,534	1.53

Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 11,236,959	$ 8,304,306
Other income	216,495	1,434
Total income	$ 11,453,454	$ 8,305,740
Cost of sales	7,251,500	5,295,004
Expenses	3,078,675	2,290,147
Interest expense	400,219	200,622
Income before taxes	$ 723,060	$ 519,967
Income taxes	52,685	92,370
Net Income	$ 670,375	$ 427,597

* Included in Costs and Expenses, Depreciation and Amortization: $438,580 in 1981 and $306,898 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 129,816	$ 556,485
Receiv., net	2,892,283	1,836,988
* Inventories	5,553,620	5,227,781
Prepaid expenses	49,825	20,038
Current Assets	$ 8,625,544	$ 7,641,292
# Fixed assets	5,442,064	1,646,146
Rev. bond funds	243,918	2,540,000
Other assets	235,055	205,306
Total Assets	$ 14,546,581	$ 12,032,744

Liabilities

	1981	1980
Long-term debt curr.	$ 81,538	$ 427,868
Short-term borrowings	—	800,000
Accts. payable	1,047,865	1,304,568
Advance on contract	332,641	—
Accruals	511,908	460,944
Income taxes payable	—	76,000
Deferred inc. taxes	54,236	43,140
Curr. Liabilities	$ 2,028,188	$ 3,112,520
Advance on contract	1,081,083	—
Deferred inc. taxes	147,430	76,425
Long-term debt	3,910,449	3,384,743
+Common stock	34,596	17,298
Add. paid-in capital	• 5,613,747	4,692,225
Retained earnings	1,897,551	1,227,176
Treasury stock	(166,463)	(477,643)
Total Liabilities & Shareholders' Equity	$ 14,546,581	$ 12,032,744

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.43	6.26
%Net Income to Sales	5.97	5.15
%Net Income to Equity	9.08	7.83
Sales to Inventories	2.02	1.59
Working Capital	$6,597,356	$4,528,772
Current Ratio	4.25	2.46
Shareholders' Equity	$7,379,431	$5,459,056

Andersen Group, Inc.

(formerly Andersen Laboratories
Incorporated)

1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Officers: Francis E. Baker, president; Timothy E. Griffin, treasurer; Elmer J. Dahl, secretary; Martin H. Anderson, asst. secretary; Kenneth T. Kelly, director - finance; John C. Kissel, director-operations; J. Patricia Pond, mgr. - MIS; John J. Nicholson, controller; Franklin R. Stoner, director - personnel.

Directors: Oliver R. Grace, chairman; Francis E. Baker, Joseph F. Engelberger, Richard Rachals, George B. Raymond, Kingsley Swan, Jr., Ratus L. Kelly.

Divisions and Subsidiaries:

Andersen Laboratories, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Specializes in the research and development of sophisticated delay lines and components used in signal processing for military radar and communications systems. Also developed new ultrasonic components which employ surface wave, as well as bulk wave, technologies.

Microtime, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Produces time base correctors, systems which eliminate picture distortions which occur when program material is recorded or played back on a video tape recorder.

Andersen Group, Inc.

Cardiac Datacorp, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0261

Engaged in the development of a patented monitoring system for evaluating the performance of implanted heart pacers over the telephone line.

Signal Technology Ltd. (joint venture)
United Kingdom

Design, development and manufacture of surface acoustic wave filters for communications, radar, and other signal processing applications.

Acquisition(s):

Data Medical, Inc. (80% interest)
Wynnewood, Pennsylvania

Medical services company marketing Holter recording devices which monitor cardiac electrical activity.

Joint Venture:

Signal Technology Limited
Swindon, England

Manufactures signal processing equipment for defense cable TV applications.

Transfer Agent(s):

Hartford National Bank & Trust Company
777 Main Street
Hartford, Connecticut 06101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDR (NASDAQ)

Number of Employees:

1981	430	1978	400
1980	414	1977	225
1979	400		

Plant Footage:

1981	80,000 sq. ft.	1978	80,000
1980	80,000	1977	50,000
1979	80,000		

Sales and Earnings

	Net Sales +	Net Income #
1982	$ 22,421,000	$ 1,961,000
1981	18,491,000	1,452,000
1980	17,213,000	893,000
1979	15,666,000	810,000
1978	13,354,000	596,000

	No. of Com. Shares ‡	Earn per Share ‡#
1982	1,030,000	$ 1.90
1981	997,000	1.45
1980	996,000	0.90
1979	994,000	0.81
1978	997,000	0.61

+ Of continuing operations only.

‡ Based on the weighted average number of shares and common share equivalents outstanding adjusted to reflect stock split.

# Includes extraordinary gain of $45,000 ($0.05 per share) in 1978.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1982	$ 9,079,260	$ 8.67
1981	6,667,000	6.68
1980	5,113,000	5.19
1979	4,207,009	4.32
1978	3,389,000	3.43

† Adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	1982	1981
Net sales & other income	$ 22,421,014	$ 18,490,947
Cost of sales	10,747,313	9,809,305
Expenses	9,146,753	6,841,972
Interest expense	332,432	575,107
Income bef. taxes	$ 2,194,516	$ 1,264,563
Income taxes	230,696	476,825
Minority interest	—	(3,790)
Eq. in loss of joint venture	3,000	92,794
Income from cont. oper.	$ 1,960,820	$ 698,734
Income from discont. oper.	—	753,723
Net Income	$ 1,960,820	$ 1,452,457

* Included in Costs and Expenses, Depreciation and Amortization: $661,070 in 1982 and $625,636 in 1981.

Assets

As of Feb. 28	1982	1981
Cash	$ 115,353	$ 262,783
Short-term invest.	3,016,178	2,453,670
Accts. & notes receiv. net	5,458,050	4,730,068
Unbilled receiv.	106,272	313,880
*Inventories	2,298,230	2,270,264
Prepaid expenses & other assets	85,375	159,462
Current Assets	$ 11,079,458	$ 10,190,127
Investments	80,908	533,908
#Fixed assets	4,139,205	3,779,001
Other assets	198,323	337,761
Defer charges	26,954	51,373
Intangibles	443,102	475,132
Total Assets	$ 15,967,950	$ 15,367,302

Liabilities

	1982	1981
Notes payable	$ —	$ 149,951
Long-term debt. curr.	206,947	460,962
Accts. payable	1,451,728	1,644,562
Cust. deposits	345,961	464,990
Accruals	482,237	413,481
Income taxes	693,897	554,436
Employee compen.	697,647	462,035
Oblig. under capital lease	69,750	159,680
Curr. Liabilities	$ 3,948,167	$ 4,310,097
Long-term debt	2,366,929	3,258,995
Deferred inc. taxes	573,594	1,130,860
+ Common stock	1,542,794	1,253,723
Add paid-in capital	405,540	405,540
Retained earnings	7,130,926	5,176,106
Treasury stock	—	(168,019)
Total Liabilities & Shareholders' Equity	$ 15,967,950	$ 15,367,302

*At lower of cost (FIFO & average cost methods) or market.

# Less accumulated depreciation.

+ No par value.

Statistical Summary

	1982	1981
%Income bef. Taxes to Sales	9.79	—
%Net Income to Sales	8.75	—
%Net Income to Equity	21.60	21.78
Sales to Inventories	9.76	8.14
Working Capital	$7,131,291	$5,880,030
Current Ratio	2.81	2.36
Shareholders' Equity	$9,079,260	$6,667,350

Anderson Jacobson, Inc.

521 Charcot Avenue
San Jose, California 95131
(408) 263-8520

Officers: Raymond E. Jacobson, chairman of the board & president; G.W. Schoenwald, v.p.-marketing; Wayne C. Seppeler, v.p.-mgr. data communications division; Walter P. Czeropski, v.p.-manufacturing; R.J. Indermill, secretary & treasurer; Kent M. Wilkins, controller; James W.A. Jacobson, mgr.-product & quality assurance; Edward A. Burfine, mgr.-Integrated Office Systems Division; Stephen V. Tritto, mgr.-Terminal Products Division.

Directors: Raymond E. Jacobson, chairman; Richard J. Indermill, William F. Main, John W. Jalonen, Edward J. Maher.

Areas of Work: Designs, manufactures, sells, leases and services data communications equipment and remote data terminals for use as computer peripheral equipment. Among its products are acoustic data couplers, complete remote data display terminals, modem systems, jet ink printers and electronic mail systems.

Subsidiaries:

Anderson Jacobson GmbH
Cologne, West Germany

Anderson Jacobson, SA
Paris, France

Anderson Jacobson, Ltd.
London, England

Anderson Jacobson, Canada, Ltd./Ltee.
Toronto, Ontario
Canada

Transfer Agent(s):

Crocker National Bank
Corporate Division
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American

Ticker Symbol: AJ

Number of Employees:

1981	870	1978	641
1980	844	1977	537
1979	670		

Plant Footage:

1981	180,500 sq. ft.	1978	120,500
1980	168,500	1977	120,500
1979	153,500		

Sales and Earnings

	Revenues	Net Income
1981	$ 49,516,000	$ 1,747,000
1980	41,377,000	2,202,000
1979	34,697,000	1,760,000
1978	26,834,000	1,330,000
1977	20,921,000	1,050,000

	No. of Com. Shares	Earn. per Share ×
1981	2,258,005	$ 0.80
1980	2,163,495	0.96
1979	2,277,737	0.76
1978	2,237,084	0.58
1977	2,234,073	0.45

× Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity per Share
1981	$ 15,522,000	$ 6.87
1980	13,723,000	6.34
1979	13,018,000	5.72
1978	11,198,000	5.01
1977	9,885,000	4.42

Income Account *

Year ended March 31	1981	1980
Net sales	$ 18,404,000	$ 14,588,000
Lease & service	31,112,000	26,789,000

Revenue	$ 49,516,000	$ 41,377,000
Cost of sales	7,916,000	7,156,000
Expenses	30,035,000	23,011,000
Depreciation	4,809,000	4,299,000
Other (income) expense	19,000	(46,000)
Income before taxes	$ 2,912,000	$ 3,655,000
Income taxes	1,165,000	1,453,000
Net Income	$ 1,747,000	$ 2,202,000

Assets

As of March 31	1981	1980
Cash	$ 2,363,000	$ 1,536,000
Marketable securities	1,104,000	575,000
Accts. receiv., net	7,505,000	7,423,000
* Inventories	14,899,000	9,515,000
Prepaid expenses	553,000	327,000
Current Assets	$ 26,424,000	$ 19,376,000
Investment	8,132,000	8,686,000
# Fixed assets	6,192,000	4,676,000
Other assets	40,000	138,000
Total Assets	$ 40,788,000	$ 32,876,000

Liabilities

Long-term debt, curr.	$ 6,797,000	$ 6,506,000
Accts. payable	2,483,000	2,267,000
Accruals	1,329,000	1,176,000
Income taxes	336,000	—
Curr. Liabilities	$ 10,945,000	$ 9,949,000
Long-term debt	14,192,000	9,077,000
Deferred income taxes	129,000	127,000
+ Common stock	226,000	216,000
Add. paid-in capital	5,447,000	4,452,000
Retained earnings	10,802,000	9,055,000
Notes receivable (Loss)	(953,000)	—
Total Liabilities & Shareholders' Equity	$ 40,768,000	$ 32,876,000

* At lower of standard cost (which approximates actual cost on an FIFO basis) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	5.88	8.83
%Net Income to Revenues	3.53	5.32
%Net Income to Equity	11.25	16.05
Working Capital	$15,479,000	$ 9,427,000
Current Ratio	2.41	1.95
Shareholders' Equity	$15,522,000	$13,723,000

Andrea Radio Corporation

11-40 45th Road
Long Island City, New York 11101
(212) 729-8500

Officers: Frank A. D. Andrea, Jr., chairman of the board and president; Anthony S. Abbene, executive vice president and treasurer; Camille Andrea, secretary & pres. of Andrea Sales Division; George Feinman, v.p.-engineering; Saverio Paternoster, v.p.-operations.

Directors: Frank A. D. Andrea, Jr., Anthony S. Abbene, Camille Andrea, Salvatore J. Carrubs.

Areas of Work: Engaged in designing, developing, and producing intercommunications and other electronic systems and equipment which are sold to the government and private companies under prime and subcontracts, and television receivers, record players, AM/FM stereo and combination entertainment centers for the home as well as electronic products for marine use.

Transfer Agent(s):

The Chase Manhattan Bank N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: AND

Number of Employees:

1981	121	1978	106
1980	111	1977	92
1979	111		

Plant Footage:

1981	57,266 sq. ft.	1978	57,266
1980	57,266	1977	75,000
1979	57,266		

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,961,723	$ 389,645
1980	3,216,745	307,493
1979	2,711,955	259,961
1978	2,297,945	150,580
1977	1,905,164	63,845

	No. of Com. Shares	Earn. per Share #
1981	508,272	$ 0.77
1980	508,272	0.60
1979	508,272	0.51
1978	508,272	0.30
1977	508,272	0.13

# Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Government	$ 2,522,110	$ 1,826,710
Industrial	1,351,167	1,284,830
Commercial	88,446	105,205
Total	$ 3,961,723	$ 3,216,745

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.56	—	—
1980	0.40	—	—
1979	0.29	—	—
1978	0.07	—	—
1977	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,566,660	$ 7.02
1980	3,461,647	6.81
1979	3,357,463	6.61
1978	3,244,901	6.38
1977	3,129,899	6.16

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 3,961,723	$ 3,216,745
Other income	339,589	281,203
Total income	$ 4,301,312	$ 3,497,948
Cost of sales	3,118,609	2,548,804
Expenses	421,151	344,964
Income before taxes	$ 761,552	$ 604,180
Income taxes	371,907	296,687
Net Income	$ 389,645	$ 307,493

*Included in Costs and Expenses, Depreciation: $52,933 in 1981 and $54,597 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ —	$ 74,913
Cert. of deposit	2,135,379	1,916,239
Accts. receiv., net	126,720	350,556
*Inventories	1,012,356	756,627
Prepaid expenses	726	5,084
Current Assets	$ 3,245,172	$ 3,103,419
#Fixed assets	624,402	656,235
Intangibles	951	676
Total Assets	$ 3,900,525	$ 3,760,330

Liabilities

Bank overdraft	$ 1,137	$ —
Accts. payable	216,691	189,721
Salaries & wages	32,188	40,660
Misc. taxes	55,341	22,319
Inc. taxes	27,006	44,405
Dividends payable	1,502	1,578
Curr. Liabilities	$ 333,865	$ 298,683
+ Common stock	254,136	254,136
Add. paid-in capital	59,206	59,206
Retained earnings	3,253,318	3,148,305
Total Liabilities & Shareholders' Equity	$ 3,900,525	$ 3,760,330

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.22	18.78
%Net Income to Sales	9.84	9.56
%Net Income to Equity	10.92	8.88
Sales to Inventories	3.91	4.25
Working Capital	$2,911,307	$2,804,736
Current Ratio	9.72	10.39
Shareholders' Equity	$3,566,550	$3,461,647

Anixter Bros., Inc.

4711 Golf Road
One Concourse Plaza
Skokie, Illinois 60076
(312) 677-2600

Officers: Alan B. Anixter, president; William R. Anixter, executive vice president; Bruce Van Wagner, v.p.-operations; James A. Loudon, treasurer; John J. Mariana, v.p.-information services; William S. Race, v.p.-finance; Edward F. Harris, v.p.-research and development; Irwin S. Sylvan, v.p.-marketing; Albert E. Smith, v.p. & conroller; Robert J. Wilson, vice president-wire and cable; James R. Anixter, Kenneth E. Morton, vice presidents; John A. Pigott, v.p. & secretary; William R. Parient, Jr., v.p. & treasurer.

Directors: Alan B. Anixter, William R. Anixter, James R. Anixter, Edward F. Harris, William S. Race, Bruce Van Wagner, Norman B. Schreiber, John A. Pigott, Theodore Horwich, Herbert L. Pruzan, Joseph M. Checkers.

Areas of Work: The Distribution Group buys, warehouses and sells an assortment of electrical wire and cable and CATV items. The Manufacturing Group primarily manufactures products which use wire and cable as a principal component or which are used in the transmission of telephone communicationsor electricity; specific products of this group include telephone transmission components, modular central office structures to house electronic switching systems, electrical wiring harnesses and cable assemblies for use on appliances and vehicles, lights and switches primarily for military vehicles, battery booster cables and other power supply cords, microwave antennas for telephone and radio communications and distribution equipment such as switchboards and power panels.

Subsidiaries:

Illinois Cable Corp.
Anixter-Texas Inc.
Anixter-Pruzan Inc.
Pruzan Company of Illinois, Inc.
Anixter U-K Ltd.
Anixter-Netherlands, B.V.
Anixter-San Francisco Inc.
Anixter-Turmac Ltd.
Anixter International, Inc.
Anixter-New Orleans Inc.
Anixter-Olsen International
Automatic Equipment Development Corporation
Anixter Financial Corp.
Anixter International Finance N.V.

Anixter Bros., Inc.

Acquisition(s):

Automatic Equipment Development Corporation
Hamden, Connecticut

Manufactures connectorized cable assemblies for the telephone industry and refurbishes and rehabilitates telephone equipment and supplies.

Ohm International
Hawthorne, New York

Exports electrical and telecommunications products.

Transfer Agent(s):

First National Bank of Chicago
Chicago, Illinois

Citibank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: ANX

Number of Employees:

1981	2,600	1978	1,760
1980	2,000	1977	1,500
1979	1,775		

Plant Footage*:

1981	2,091,225 sq. ft.	1978	1,453,116
1980	1,767,275	1977	1,320,048
1979	1,640,000		

* Includes distribution facilities.

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 441,483,000	$ 18,518,000
1980	363,551,000	15,267,000
1979	284,230,000	9,147,000
1978	210,044,000	4,084,000
1977	178,955,000	3,142,000

	No. of Com. Shares †	Earn. per Share #
1981	14,026,345	$ 1.31
1980	13,729,984	1.12
1979	13,455,168	0.68
1978	13,487,940	0.31

‡ Restated to include operations of companies acquired on a pooling of interests basis.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Distribution	$ 359,670	$ 295,395
Manufacturing	81,813	68,156
Total	$ 441,483	$ 363,551

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.13	—	2-for-1
1980	0.105	—	2-for-1
1979	0.0825	—	—
1978	0.0625	—	—
1977	0.0525	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 82,508,022	$ 5.88
1980	64,745,660	4.72
1979	50,104,734	3.72
1978	41,949,491	3.11

† Restated.
‡ Adjusted to reflect stock splits.

Income Account *

Year ended July 31	1981	1980 ‡
Net sales	$ 441,482,842	$ 363,550,550
Cost of sales	335,517,057	271,635 711
Expenses	71,887,195	61,193,474
Oper. profit	$ 34,078,590	$ 30,721,365
Other income	(1,560,762)	(1,234,545)
Total	$ 35,639,352	$ 31,955,910
Interest expense	4,035,101	3,650,772
Income before taxes	$ 31,604,251	$ 28,305,138
Income taxes	13,086,000	13,038,000
Net Income	$ 18,518,251	$ 15,267,138

*Included in Costs and Expenses, Depreciation and Amortization: $3,347,986 in 1981 and $2,614,414 in 1980.
‡ Restated

Assets

As of July 31	1981	1980 ‡
Cash & temp. investments	$ 10,560,902	$ 4,794,953
Accts. & notes receiv. net	67,979,974	53,621,273
*Inventories	92,998,198	82,444,788
Prepaid expenses	806,144	464,934
Current Assets	$ 172,345,218	$ 141,325,948
#Fixed assets	19,892,522	15,382,465
Other assets	128,161	176,334
Intangibles	5,044,053	4,505,306
Unamort. fin.costs	842,981	196,349
Total Assets	$ 198,252,935	$ 161,586,402

Liabilities

Notes payable	$ 825,000	$ 1,[illegible],440
Long-term debt, curr.	1,463,069	1,361,044
Accts. payable	60,913,619	46,479,983
Accruals	8,305,054	9,128,449
Income taxes	2,037,948	6,929,989
Curr. Liabilities	$ 73,544,690	$ 65,100,905
Long-term debt	40,323,223	29,006,837
Deferred inc. taxes	1,877,000	2,733,000
+ Common stock	14,164,113	6,933,876
Add. paid-in capital	—	3,744,244
Retained earnings	68,490,271	54,213,902
Treasury stock	(146,362)	(146,362)
Total Liabilities & Shareholders' Equity	$ 198,252,935	$ 161,586,402

‡ Restated.
* At lower of average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.16	7.79
%Net Income to Sales	4.19	4.20
%Net Income to Equity	22.44	23.58
Sales to Inventories	4.75	4.41
Working Capital	$98,800,528	$76,225,043
Current Ratio	2.34	2.17
Shareholders' Equity	$82,508,022	$64,745,660

Apex Electronics, Inc.

100 Eighth Street
Passaic, New Jersey 07055
(201) 773-1220

Officers: Michael Derota, president; Andrew Lech, secretary and treasurer.

Directors: Michael Derota, Andrew Lech, Hazel Orlin.

Areas of Work: Produces cathode ray tubes and other television parts.

Transfer Agent(s):

New Jersey Bank (National Association)
Paterson, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 1,004,231	$ 1.369
1980	937,102	(2,386)
1979	883,804	(5,104)
1978	816,876	(10,360)
1977	1,047,089	1,480

	No. of Com. Shares ‡	Earn. per Share ‡
1981	252,650	$ —
1980	252,650	—
1979	252,650	—
1978	252,6[illegible]	—
1977	253,2[illegible]	0.01

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	—	—	—
1978	0.02	—	—
1977	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 447,608	$ 1.77
1980	446,239	1.77
1979	448,626	1.78
1978	453,730	1.80
1977	469,090	1.85

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 1,004,231	$ 937,102
Cost of sales	857,513	821,438
Expenses	105,526	85,427
Depreciation	39,823	32,623
Net Income (Loss)	$ 1,369	$ (2,386)

Assets

As of Aug. 31	1981	1980
Cash	$ 28,340	$ 45,237
Investment	136,739	129,861
Accts. & notes receiv. net	158,454	195,151
*Inventories	5,311	247,025
Prepaid expenses & advances	289,025	887
Accrued int. receiv.	585	6,878
Current Assets	$ 618,454	$ 625,039
# Fixed assets	42,962	45,094
Other assets	1,900	1,900
Total Assets	$ 663,316	$ 672,033

Liabilities

Notes payable	$ 50,000	$ 50,000
Accts. payable	104,022	128,919
Accrued taxes & expenses	38,686	23,875
Curr. Liabilities	$ 192,708	$ 202,794
Note payable	23,000	23,000
+ Common stock	26,100	26,100
Common stock-Apex Elec. Int'l.	2,500	2,500
Add. paid-in capital	306,503	306,503

Retained earnings	127,630	126,261
Treasury stock	(15,125)	(15,125)
Total Liabilities & Shareholders' Equity	$ 663,316	$ 672,033

* At lower or cost (FIFO) or market for raw materials; manufactured finished goods at standard costs which approximate actual costs.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	6.34	3.79
Working Capital	$425,746	$422,245
Current Ratio	3.21	3.08
Shareholders' Equity	$447,608	$446,239

APF Electronics, Inc.

1501 Broadway
New York, New York 10036
(212) 869-1960

Officers: Irving Boilen, chairman of the board & sr. v.p.; Seymour Lipper, president & chief exec. officer; Sandra Lipson, Murray Ness, v.p.'s; Martin Lipper, treasurer-secretary; Charles S. Port, gen. counsel.

Directors: Seymour Lipper, Irving Boilen, William Esland, Martin Lipper.

Areas of Work: Engaged in the design, engineering, manufacturing, importation and worldwide distribution of electronic calculators, video oriented home entertainment devices, printers and personal computers.

Subsidiaries:

Positronics Supplies Ltd.
Hong Kong

APF Far East Ltd.
Hong Kong

Transfer Agent(s):

National Bank of North America
44 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: APFE (NASDAQ)

Number of Employees:

1980	170	1976	75
1979	300	1977	75
1978	137		

Plant Footage:

1980	44,400 sq. ft.	1978	18,500
1979	18,500		

Sales and Earnings

	Net Sales	Net Income
1980	$ 19,677,511	$ (1,266,778)
1979	23,317,464	(220,429)
1978	30,997,286	116,677
1977	33,489,899	(1,391,386)
1976	39,124,798	1,268,793

	No. of Com. Shares #	Earn. per Share #
1980	1,174,786	$ —
1979	1,143,748	—
1978	1,183,107	0.10
1977	1,168,023	—
1976	1,254,779	1.01

(Loss)
# Based on weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	—
1976	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1980	$ 1,659,058	$1.41
1979	2,625,804	2.30
1978	2,846,233	2.41
1977	2,720,595	2.33
1976	4,456,256	3.55

# Based on weighted average number of shares outstanding adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1980	1979
Net sales	$ 19,677,511	$ 23,317,464
Cost of sales	17,098,388	19,903,295
Expenses	3,736,469	3,211,927
Interest expense	1,379,733	1,383,845
Gain on settlement	(1,290,082)	—
Loss before taxes	$ (1,246,997)	$ (1,181,603)
Income taxes (refund)	19,781	(961,174)
Net Loss	$ (1,266,778)	$ (220,429)

*Included in Costs and Expenses, Depreciation and Amortization: $314,054 in 1980 and $365,403 in 1979.

Assets

As of Dec. 31	1980	1979
Cash	$ 372,134	$ 1,193,715
Accts. receiv., net	3,657,592	5,120,620
*Inventories	9,149,597	6,555,402
Other assets	214,296	221,410
Refundable inc. taxes	—	690,287
Refundable cust. duty	26,363	142,344
Current Assets	$ 13,409,982	$ 13,923,778
# Fixed assets	641,510	992,478
Other assets	74,358	70,414
Total Assets	$ 14,125,850	$ 14,586,670

Liabilities

Trade acceptances	$ 2,922,930	$ 980,360
Notes payable	4,321,708	4,750,166
Long-term debt, curr.	350,000	250,000
Accts. payable	1,011,217	1,516,609
Accruals	553,906	540,118
Income taxes	176,511	156,783
Curr. Liabilities	$ 9,336,272	$ 8,193,936
Long-term debt	3,122,000	3,750,000
Deferred inc. taxes	8,520	16,930
+ Common stock	12,250	11,437
Add. paid-in capital	1,034,351	735,132
Retained earnings	612,457	1,879,235
Total Liabilities & Shareholders' Equity	$ 14,125,850	$ 14,586,670

*At lower of cost (FIFO) or market.
Less accumulated depreciation & amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.15	3.56
Working Capital	$ 4,073,710	$ 5,729,842
Current Ratio	1.44	1.70
Shareholders' Equity	$ 1,659,058	$ 2,625,804

Apollo Lasers, Inc.

6357 Arizona Circle
Los Angeles, California 90045
(213) 776-3343

Officers: Fred P. Burns, chairman of the board & president; Raymond H. Hoskins, vice president & secretary; Wilford W. Willing, vice president & chief financial officer.

Directors: Fred P. Burns, chairman; Raymond H. Hoskins, Richard L. Geiger, Burton R. Cohn, Lee R. Petillon, William Fitzsimmons, Wilford W. Willing.

Areas of Work: Solid state and carbon dioxide laser systems for holography, optical radar, resistor trimming, industrial and scientific applications and electronic visual aids.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: APLE (NASDAQ)

Number of Employees:

1980	50	1977	60
1979	50	1976	50
1978	80		

Plant Footage:

1980	20,400 sq. ft.	1977	20,400
1979	20,400	1976	20,000
1978	20,400		

Sales and Earnings

	Net Sales +	Net Income‡
1980	$ 3,778,818	$ 200,556
1979	3,716,167	558,936
1978	2,197,569	228,351
1977	1,752,416	154,318
1976	1,559,788	213,617

	No. of Com. Shares	Earn. per Share‡ ×
1980	1,009,583	$0.19
1979	1,001,333	0.56
1978	969,000	0.23
1977	960,000	0.16
1976	960,000	0.22

+ Of continuing operations only.
‡ Including extraordinary credit of $107,703 ($0.11 per share) in 1976.
× Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 2,446,171	$2.42
1979	2,236,709	2.23
1978	1,661,298	1.71
1977	1,425,297	1.48
1976	1,270,979	1.32

Income Account *

Year ended Sept. 30	1980	1979
Net sales	$ 3,778,818	$ 3,176,167
Cost of sales	2,146,795	2,007,873
Expenses	1,464,913	1,267,472
Other expenses (income)	(119,446)	21,642
Income before taxes	$ 286,556	$ 419,180
Income taxes	86,000	140,000
Income from cont. oper.	$ 200,556	$ 279,180
Income from discont. oper.	—	279,756
Net Income	$ 200,556	$ 558,936

* Included in Costs and Expenses, Depreciation and Amortization: $41,240 in 1980 and $40,310 in 1979.

Assets

As of Sept. 30	1980	1979
Cash & cert. of deposit	$ 506,038	$ 774,033
Invest. in comm. paper	200,000	—
Accts. receive., net	814,787	1,003,934
*Inventories	1,102,057	855,004
Prepaid expenses	32,018	30,608
Deferred inc. taxes	5,000	19,000
Earn. on uncomp. contracts	186,593	—
Refund. inc. taxes	112,522	—
Current Assets	$ 2,959,015	$ 2,682,579
#Fixed assets	147,802	135,294
Other assets	33,577	14,529
Total Assets	$ 3,140,394	$ 2,832,402

Liabilities

Accts. payable	$ 422,445	$ 238,847
Accruals	271,778	251,602
Income taxes	—	105,244
Curr. Liabilities	$ 694,223	$ 595,693
+Common stock	100,958	100,133
Add. paid-in capital	1,401,137	1,393,056
Retained earnings	944,076	743,520
Total Liablities & Shareholders' Equity	$ 3,140,394	$ 2,832,402

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.58	—
%Net Income to Sales	5.31	—
%Net Income to Equity	8.20	24.99
Sales to Inentories	3.43	4.35
Working Capital	$ 2,264,792	$ 2,086,886
Current Ratio	4.26	4.50
Shareholders' Equity	$ 2,446,171	$ 2,236,709

Apple Computer, Inc.

10260 Bandley Drive
Cupertino, California 95014
(408) 996-1010

Officers: Steven P. Jobs, chairman of the board; A.C. Markkula, Jr., president & chief executive officer; Carl H. Carlson, exec. v.p.-operations; Kenneth R. Zerbe, exec. v.p.-finance & administration; Ann S. Bowers, v.p.-human resources; Gene P. Carter, v.p.-sales; John D. Couch, v.p. & gen. mgr.-personal office systems; Albert A. Eisenstat, v.p., secretary & general counsel; Joseph A. Graziano, v.p. & chief financial officer; Frederick M Hoar, v.p.-communications; Wilfrid J. Houde, v.p. & gen. mgr.-personal computer systems; Thomas J. Lawrence, v.p. & gen. mgr.-Europe; John Vennard, v.p. & gen. mgr.-manufacturing.

Directors: Steven P. Jobs, chairman; Peter O. Crisp, A.C. Markkula, Jr., Arthur Rock, Philip S. Schlein, Henry E. Singleton.

Areas of Work: The Company designs, develops, produces, markets and services microprocessor-based personal computers and related software and other peripheral products.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AAPL (NASDAQ)

Number of Employees:

1981 2,456

Plant Footage:

1981 . . . . . . 670,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 334,783,000	$ 39,420,000
1980	117,126,000	11,698,000
1979	47,867,000	5,073,000
1978	7,856,000	793,000
1977	774,000	42,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	56,161,000	$ 0.70
1980	48,412,000	0.24
1979	43,620,000	0.12
1978	31,544,000	0.03
1977	16,640,000	0.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share†
1981	$ 177,387,000	$ 3.16
1980	25,948,000	0.54
1979	9,681,000	0.22
1978	1,542,000‡	0.05

‡ After allowing for preferred stock at stated value.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/25/81	9/26/80
Net sales	$ 334,783	$ 117,126
Cost of sales	180,361	67,329
Research & develop.	20,956	7,282
Marketing	45,891	12,110
Gen. & adm.	21,432	6,820
Interest income	(10,400)	(567)
Income before taxes	$ 76,543	$ 24,152
Income taxes	37,123	12,454
Net Income	$ 39,420	$ 11,698

* Included in Costs and Expenses, Depreciation and Amortization: $8,590,000 in 1981 and $1,377,000 in 1980.

Assets
(000's)

As of	9/25/81	9/26/80
Cash & temp. cash invest.	$ 72,834	$ 363
Accts. receiv., net	42,330	15,814
*Inventories	103,873	34,191
Other curr. assets	8,067	3,738
Current Assets	$ 227,104	$ 54,106
#Fixed assets	22,371	4,779
Reacq. distr. rights	3,926	5,311
Other assets	1,437	1,154
Total Assets	$ 254,838	$ 65,350

Liabilities
(000's)

Notes payable	$ 10,745	$ 7,850
Accts. payable	26,613	14,495
Accrued Compen.	7,759	2,553
Income taxes payable	8,621	8,135
Other curr. liab.	16,542	4,747
Curr. Liabilities	$ 70,280	$ 37,780
Oblig. under cap. leases	1,909	671
Deferred inc. taxes	5,262	951
+ Common stock	123,317	12,348
Retained earnings	57,026	17,606
Notes receiv. from shareholders	(2,956)	(4,006)
Total Liabilities & Shareholders' Equity	$ 254,838	$ 65,350

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	22.86	20.62
%Net Income to Sales	11.77	9.99
%Net Income to Equity	22.22	45.08
Sales to Inventories	3.22	3.43
Working Capital	$156,824,000	$16,326,000
Current Ratio	3.23	1.43
Shareholders' Equity	$177,387,000	$25,948,000

Applied Devices Corporation

235 Peruvian Avenue
Palm Beach, Florida 33480
(305) 655-3200

Officers: Malcolm K. Fleschner, chairman & chief exec. officer; Martin Dubilier, president; Joseph J. Leszczynski, sr. v.p.; Edward R. Olson, Eugene L. Goda, William Gerber, v.p.'s; Stephen G. Miller, treasurer; Bradford S. Lovette, v.p., secretary, & general counsel.

Directors: Malcolm K. Fleschner, chairman; Alfred di Scipio, Martin Dubilier.

Areas of Work: Designs, manufactures, sells and services computer-controlled data entry systems and retrieval systems for use in the banking, gaming, retailing, and credit industries. Also involved in the manufacture, sale and maintenance of electronic and electro-mechanical systems, optics, and optic devices, and audio-visual training programs for the government.

Subsidiaries:

Datatrol, Inc.
Brent Drive
Hudson, Massachusetts

Meltron Inc.
2931 N. Poinciana Boulevard
Kissimmee, Florida 32741

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 . . . . . . 764 1980 937

Plant Footage:

1981 . . . . . . 221,000 sq. ft.

Sales and Earnings

	Revenues	Net Income +
1981	$ 35,552,000	$ (8,761,000)
1980#	37,816,000	(2,597,000)
1979	61,338,000	(7,693,000)
1978	43,001,000	2,782,000
1977	23,298,000	2,151,000

	No. of Com. Shares	Earn. per Share ‡ +
1981	4,665,963	$ —
1980#	4,660,361	—
1979	4,633,844	—
1978	4,124,519	0.68
1977	3,681,994	0.52

(Loss)
† Of continuing operations only.
# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
+ Including extraordinary gains of $965,000 ($0.23 per share) in 1978, and $956,000 ($0.23 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ (8,457,000)	$ —
1980#	345,000	0.07
1979	3,223,000	0.69
1978	9,363,000	2.27
1977	6,440,000	1.75

(Deficiency)
# Restated.

Income Account *
(000's)

Year ended Oct. 31	1981	1980
Revenues	$ 35,552	$ 37,816
Cost of sales	28,329	31,339
Expenses	9,482	7,272
Interest expense	2,801	2,890
Minority interest	64	300
Loss before taxes	$ (5,124)	$ (3,985)
Tax credit	(432)	(224)
Loss from cont. oper.	$ (4,692)	$ (3,761)
Inc. (loss) from discont. oper.	(4,069)	1,577
Cum. effect of change in accntng.	—	(413)
Net Loss	$ (8,761)	$ (2,597)

* Included in Costs and Expenses, Depreciation and Amortization: $1,929,000 in 1981 and $3,061,000 in 1980.
‡ Restated.

Assets
(000's)

As of Oct. 31	1981	1980 ‡
Cash	$ —	$ 727
Accts. receiv., net	5,931	8,018
*Inventories	3,573	3,658
Prepaid expenses	255	278
Other assets	470	387
Current Assets	$ 10,229	$ 13,068
Field Service equip.	2,228	2,163
#Fixed assets	9,945	17,311
Other assets & defer. charges	806	1,268
Total Assets	$ 23,208	$ 33,810

Liabilities
(000's)

	1981	1980
Bank overdraft	$ 196	$ —
Notes payable	—	1,600
Long-term debt, curr.	626	1,460
Accts. payable	3,066	4,884
Accruals	2,998	2,776
Advances from customers	260	899
Income taxes	91	548
Curr. Liabilities	$ 7,237	$ 12,167
Long-term debt, curr.	14,197	18,065
Cap. lease oblig.	231	3,233
+ Redeem. pref. stock	10,000	—
+ Common stock	1,606	1,606
Add. paid-in capital	14,933	14,966
Retained earnings (deficit)	(24,980)	(16,219)
Treasury stock	(16)	(8)
Total Liabilities & Shareholders' Equity	$ 23,208	$ 33,810

‡ Restated.
* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $100 par value.
+ + $0.01 par value.

Statistical Summary

Working Capital	$ 2,992,000	$901,000
Current Ratio	1.41	1.07
Shareholders' Equity (Deficiency)	$(8,457,000)	$345,000

Applied Magnetics Corporation

75 Robin Hill Road
Goleta, California 93117
(805) 964-4881

Officers: Harold R. Frank, chairman of the board & chief exec. officer; Ben J. Newitt, president & chief operating officer; Robert C. Tetherow, exec. v.p.; Thomas W. Russell, v.p.; Gordon P. Sprague, Jr. v.p. & chief financial officer; Raymond P. LeBlanc, secretary & general counsel; James V. Clark, controller.

Directors: Harold R. Frank, chairman; Ben J. Neweitt, James M. Cunningham, John E. Anderson, Willard G. DeGroot, William E. Terry, Robert C. Tetherow.

Areas of Work: Designs and manufactures high technology products including magnetic recording heads, and equipment and systems for process control applications.

Subsidiaries:

Magnetic Head Division Corporation
75 Robin Hill Road
Goleta, California 93117
(805) 964-4881
Manufactures magnetic recordings heads.

Key Electro Sonic Corp.
517 North Elizabeth
Milton-Freewater, Oregon 97862
(503) 938-5556
Designs and manufactures electronic sensors and controls.

Applied Magnetics Belgium, N.V.
Industriezone
Raadsherenstraat 3
2300 Turnhout, Belgium

Applied Magnetics Korea, Ltd.
IPO 2801
Seoul, Korea

Applied Magnetics Caribe, Inc.
Box 848, Pueblo Station
Carolina, Puerto Rico 00630

Applied Magnetics Ireland, Ltd.
IOA Industrial Estate
Unit C-1
Dublin 9, Ireland

Transfer Agent(s):

First Interstate Bank
P.O. Box 3667
Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: APM

Number of Employees:

1981	2,746	1978	2,878
1980	2,993	1977	2,795
1979	3,435		

Plant Footage:

1981	400,000 sq. ft.	1978	500,000
1980	450,000	1977	497,448
1979	500,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 73,912,874	$ 16,126,167
1980	73,423,165	5,654,419
1979	70,114,192	6,063,035
1978	55,453,000	4,425,125
1977	39,559,000	(3,589,000)

	No. of Com. Shares †	Earn. per Share ‡ †
1981	4,985,600	$ 3.23
1980	4,951,882	1.14
1979	4,903,005	1.24
1978	4,780,858	0.93
1977	4,668,968	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary credits of $350,000 ($0.07 per share) in 1979 and $1,075,000 ($0.22 per share) in 1978.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1981	1980
Computer components & terminals	$ 67,476,000	$ 67,782,000
Process control equipment	6,300,000	5,454,000
Other	137,000	187,000
Total	$ 73,913,000	$ 73,423,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 49,805,919	$ 9.99
1980	33,629,051	6.79
1979	27,753,026	5.66
1978	21,609,973	4.52
1977	16,737,529	3.58

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 73,912,874	$ 73,423,165
Cost of sales	54,084,393	54,650,169
Expenses	13,483,625	12,954,943
Interest income	(3,729,250)	(894,962)
Interest expense	403,097	1,280,511
Income before taxes	$ 9,671,009	$ 5,432,504
Income taxes	3,582,326	1,242,982
Income from cont. oper.	$ 6,088,683	$ 4,189,522
Income from discont. oper.	10,037,484	1,464,897
Net Income	$ 16,126,167	$ 5,654,419

*Included in Costs and Expenses, Depreciation and Amortization: $2,122,400 in 1981 and 2,575,802 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 17,684,958	$ 3,979,493
Accts. receiv., net	14,832,924	13,749,504
*Inventories	12,070,325	14,558,481
Notes receivable, curr.	3,406,151	2,891,163
Prepaid expenses	327,581	320,293
Other assets	2,812,813	2,436,736

Applied Magnetics Corporation

Current Assets	$	51,134,752	$	37,935,670
# Fixed assets		11,487,075		11,668,207
Other assets		5,933,646		6,884,995
Total Assets	$	68,555,473	$	56,488,872
Liabilities				
Long-term debt, curr.	$	107,282	$	1,062,934
Accts. payable		3,926,483		4,886,204
Accrued payroll & other liab.		2,696,445		2,883,361
Income taxes		7,422,713		2,304,420
Other liabilities		4,051,807		4,640,227
Curr. Liabilities	$	18,204,730	$	15,777,146
Long-term debt		544,824		7,082,675
+ Common stock		499,289		491,409
Add. paid-in capital		14,915,659		14,584,367
Retained earnings		35,228,486		19,102,319
Cum. trans. adjust.		(288,471)		—
Treasury stock		(549,044)		(549,044)
Total Liabilities & Shareholders' Equity	$	68,555,473	$	56,488,872

*At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	32.38	16.81
Sales to Inventories	6.12	5.04
Working Capital	$32,930,022	$22,158,524
Current Ratio	2.81	2.40
Shareholders' Equity	$49,805,919	$33,629,051

Applied Solar Energy Corporation

(67% owned by Optical Coating Laboratory, Inc.)

15251 E. Don Julian Road
P.O. Box 1212
City of Industry, California 91749
(213) 968-6581

Officers: Rolf F. Illsley, chief executive officer; William L. Thompson, president & chief operating officer; Reinhold J. Barchet, v.p.-operations; Thomas J. Brawley, v.p.-marketing; Ku Sun Ling, v.p.-research & development; Alan G. Stanford, v.p.-finance & secretary-treasurer.

Directors: Rolf F. Illsley*, chairman; Joseph H. Blatchford, Robert E. Davis, Jerry Grey, Klaus P. Heiss, Danforth Joslyn*, Eugene B. Konecci, John S. McCullough*, Frank E. Moss, William L. Thompson*.

*Member of the Executive Committee.

Areas of Work: Designs, manufactures and markets photovoltaic products which convert sunlight into electrical power for use on earth and in space; and photosensors which change light into electronic signals for optical scanners and readers in medical, data processing, telecommunications, and machinery control applications.

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOLR (NASDAQ)

Sales and Earnings

		Net Sales †		Net Income
1981	$	9,220,000	$	(2,692,000)
1980		9,338,000		(1,593,000)
1979		6,325,000		(635,000)
1978		3,560,000		(1,717,000)

	No. of Com. Shares	Earn. per Share
1981	2,381,000	$ —
1980	2,380,000	—
1979	1,781,000	—
1978	N.A.	—

N.A. - not available
(Loss)
† Includes other revenues.

Revenues By Line of Business

		1981		1980
Solar cells & prods:				
Spacecraft	$	2,413,000	$	3,046,000
Terrestrial		2,100,000		2,067,000
Photosensors & assemblies		3,420,000		3,099,000
Contract research & develops.		1,287,000		1,126,000
Total	$	9,220,000	$	9,338,000

Common Stock Equity

		Total Equity	Equity Per Share
1981	$	4,163,000	$ 1.75
1980		6,862,000	2.87
1979		8,433,000	3.56
1978		2,351,000	1.47

Income Account *
(000's)

Year ended Oct. 31		1981		1980
Net sales	$	9,220	$	9,338
Cost of sales		8,369		7,915
Expenses:				
Res & prod. develop.		459		479
Sell.,adm. & general		3,225		3,046
Interest expense		128		31
Interest income		(269)		(516)
Loss bef. taxes	$	(2,692)	$	(1,617)
Tax credit		—		(24)
Net Loss	$	(2,692)	$	(1,593)

* Included in Costs and Expenses, Depreciation and Amortization: $377,000 in 1981 and $248,000 in 1980.

Assets
(000's)

As of Oct. 31		1981		1980
Cash & temp. invest.	$	859	$	3,475
Accts. receiv., net		1,321		1,761
Unreimbursed expend. on contracts		127		72
*Inventories		1,607		1,599
Prepaid expenses		122		118
Current Assets	$	4,036	$	7,025
#Fixed assets		2,320		2,242
Other assets		201		120
Total assets	$	6,557	$	9,387

Liabilities
(000's)

Cap. lease oblig., curr.	$	141	$	103
Accts. payable & accruals		889		1,172
Accts. payable to major stockholder		49		249
Accruals		300		333
Allow for losses on contracts		285		—
Curr. Liabilities	$	1,664	$	1,857
Cap. lease oblig.		730		668
+ Common stock		9,012		9,019
Deficit		(4,849)		(2,157)
Total Liabilities & Shareholders' Equity	$	6,557	$	9,387

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	5.74	5.84
Working Capital	$2,372,000	$5,168,000
Current Ratio	2.43	3.78
Shareholders' Equity	$4,163,000	$6,862,000

Armatron International, Inc.

(formerly Automatic Radio Manufacturing Co., Inc.)

2 Main Street
Melrose, Massachusetts 02176
(617) 321-2300

Officers: Anthony A. Goodchild, president; Herbert E. Housman, executive vice president; Sal De Yoreo, v.p.; Charles J. Housman, treasurer; Elliot J. Englander, clerk.

Directors: Edward L. Housman, chairman; Charles J. Housman, Elliot J. Englander, Anthony A. Goodchild, Craig Spangenberg, Roger P. Stokey, William Welsh.

Areas of Work: Maufactures antennas for home and motor vehicle use. Also designs and manufactures electronic insect killing devices for the recreational and commercial markets. Produces quartz radiant heaters and logsplitters for consumer use.

Divisions:

Flowtron Division
Melrose, Massachusetts 02176

Hustler Division
3275 North B Avenue
Kissimmee, Florida 32741
(305) 348-5111

Automatic Radio Division

Acquisition(s):

Lee Plastics Inc.
Specializes in custom injection molding.

Transfer Agent(s):

Industrial National Bank of Rhode Island
Providence, Rhode Island

The Hartford National Bank and Trust Co.
Hartford, Connecticut

Stock Exchange(s): American

Ticker Symbol: ART

Sales and Earnings

		Net Sales ‡		Net Income +
1981	$	30,834,000	$	5,389,000
1980		28,484,000		2,413,000
1979		25,297,000		(2,143,000)
1978		21,312,000		(11,728,000)
1977		24,719,000		(2,255,000)

	No. of Com. Shares #	Earn. per Share # +
1981	2,448,784	$ 2.20
1980	2,444,238	0.98
1979	2,426,113	—
1978	2,426,113	—
1977	2,424,870	—

(Loss)
‡ Of continuing operations only.
# Based on weighted average number of shares outstanding.
+ Including extraordinary credits of $2,918,000 ($1.19 per share) in 1981, $1,157,000 ($0.47 per share) in 1980, and $994,000 in 1979.

Revenues By Line of Business

	1981	1980	1979	1978
Mobile comm. prod.	10%	14%	18%	44%
Electronic products	90	86	82	56
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 14,766,000	$ 6.05
1980	9,406,000	3.84
1979	6,925,000	2.85
1978	9,047,000	3.73
1977‡	20,756,000	8.56

‡ After allowing for preferred stock at redemption value of $100 per share.

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 30,834,000	$ 28,484,000
Cost of sales	21,815,000	20,487,000
Expenses	5,408,000	4,871,000
Other income	(666,000)	(254,000)
Interest expense	485,000	862,000
Gain on sale of prop.	(471,000)	—
Income before taxes	$ 4,263,000	$ 2,518,000
Income taxes	1,792,000	1,262,000
Net Income	$ 2,471,000	$ 1,256,000
Extraord. credits	1,469,000	1,157,000
Settlement item	1,449,000	—
Net Income & extraord. items	$ 5,389,000	$ 2,413,000

* Included in Costs and Expenses, Depreciation and Amortization: $483,000 in 1981 and $255,000 in 1979.

Assets

As of Sept. 30	1981	1980
Cash	$ 255,000	$ 208,000
Notes & mortg. receiv.	831,000	333,000
Accts. receiv., net	2,380,000	2,808,000
Marketable securities	6,684,000	356,000
* Inventories	6,447,000	7,967,000
Other assets	543,000	205,000
Current Assets	$ 17,140,000	$ 11,877,000
Notes & mortg. receiv.	121,000	469,000
Investments	—	190,000
# Fixed assets	2,702,000	2,508,000
Total Assets	$ 19,963,000	$ 15,044,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 142,000	$ 143,000
Acceptances payable	—	410,000
Accts. payable	2,741,000	2,318,000
Accruals	288,000	537,000
Accrued payroll	315,000	235,000
Income taxes payable	420,000	105,000
Curr. Liabilities	$ 3,906,000	$ 3,748,000
Long-term debt	1,291,000	1,890,000
+ Common stock	2,479,000	2,479,000
Add. paid-in capital	6,250,000	6,250,000
Retained earnings	6,244,000	855,000
Treasury stock	(91,000)	(41,000)
Deferred comp.	(116,000)	(137,000)
Total Liabilities & Shareholders' Equity	$ 19,963,000	$ 15,044,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.83	8.84
%Net Income to Sales	8.01	4.41
%Net Income to Equity	16.73	13.35
Sales to Inventories	4.78	3.58
Working Capital	$13,234,000	$8,129,000
Current Ratio	4.39	3.17
Shareholders' Equity	$14,766,000	$9,406,000

Arrow Electronics, Inc.

600 Steamboat Road
Greenwich, Connecticut 06830
(203) 622-9030

Officers: John C. Waddell, chairman of the board, president & chief executive officer; T. Wayne Anthony, v.p.; Thomas M. Davidson, exec. v.p. - finance & administration; Robert E. Klatell, v.p. & general counsel & secretary; Arnold R. Allen, pres., Electrical Distribution Division.

Directors: Lawrence Coolidge, John C. Waddell, Bertram J. Cohn, Lynn K. Glenn, Robert F. Greenhill.

Areas of Work: Distributors of electronic and electrical equipment and components; a secondary smelter and refiner of lead.

Divisions and Subsidiaries:

Electronics Distribution Division
900 Broad Hollow Road
Farmingdale, New York 11735

Electrical Distribution Division
81 South Main Street
White River Junction, Vermont 05001

Refining Division
P.O. Box 73916
Baton Rouge, Louisiana 70807
Mound City, Missouri

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Division
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: ARW

Sales and Earnings

	Net Sales	Net Income
1981	$ 351,784,000	$ 1,055,000
1980	352,347,000	5,227,000
1979	263,716,000	5,577,000
1978	155,683,000	4,882,000
1977	120,632,000	4,333,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	4,515,674	$ 0.23
1980	4,413,720	1.18
1979	4,362,054	1.27
1978	4,237,164	1.15
1977	4,012,266	1.08

‡ Based on average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business
(000's)

	1981	1980
Electronics dist.	$ 285,513	$ 271,758
Electrical dist.	29,701	29,286
Refining	36,570	51,303
Total	$ 351,784	$ 352,347

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.16	—	—
1980	0.12	—	2-for-1
1979	0.10	10%	—
1978	0.08	10%	—
1977	0.04	—	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 37,944,000	$ 8.40
1980	36,943,000	8.38
1979	30,047,000	6.89
1978	26,373,000	6.22
1977	21,315,000	5.31

‡ After allowing for preferred stock at liquidating value of $100 per share.

# Based on average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 351,784,000	$ 352,347,000
Cost of sales	274,072,000	266,263,000
Expenses	65,588,000	60,080,000
Interest expense	11,740,000	11,076,000
Income before taxes	$ 384,000	$ 14,928,000
Income taxes (credit)	(671,000)	6,896,000
Net Income	$ 1,055,000	$ 8,032,000
Extraord. charge	—	(2,805,000)
Net Income & extraord. charge	$ 1,055,000	$ 5,227,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,939,000 in 1981 and $3,373,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 3,722,000	$ 4,429,000
Accts. receiv. net	50,620,000	49,735,000
*Inventories	76,337,000	86,018,000
Prepaid expenses	3,154,000	3,962,000
Current Assets	$ 133,833,000	$ 144,144,000
#Fixed Assets	26,883,000	21,989,000
Other Assets	3,348,000	3,993,000
Intangibles	3,621,000	3,617,000
Total Assets	$ 167,685,000	$ 173,743,000

Liabilities

	1981	1980
Notes payable	$ 14,000,000	$ 8,000,000
Long-term debt curr.	1,996,000	2,054,000
Accts. payable	21,152,000	28,308,000
Accruals	10,316,000	14,181,000
Income taxes	1,454,000	1,901,000
Curr. Liabilities	$ 48,918,000	$ 54,444,000
Long-term debt	10,030,000	11,948,000
Deferred inc. taxes	636,000	302,000
Subord. deben.	69,957,000	69,906,000
+Preferred stock	—	2,000
+ +Common Stock	4,596,00	4,410,000
Add. paid-in capital	11,933,000	10,422,000
Retained earnings	24,501,000	24,180,000
Treasury stock	(222,000)	(526,000)
Deferred comp.	(2,664,000)	(1,345,000)
Total Liabilities & Shareholders' Equity	$ 167,685,000	$ 173,743,000

*At lower of cost (FIFO & LIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.11	4.24
%Net Income to Sales	0.30	2.28
%Net Income to Equity	2.77	21.62
Sales to Inventories	4.61	4.10
Working Capital	$84,915,000	$89,700,000
Current Ratio	2.74	2.65
Shareholders' Equity	$28,144,000	$37,143,000

Artek Systems Corporation

170 Finn Court
Farmingdale, New York 11735
(516) 293-4420

Artek Systems Corporation

Officers: Webster B. Brockelman, Jr., chairman of the board; Charles G. Leonhardt, president & treasurer; William R. Kitchener, v.p.; Don W. Fleischauer, controller; Richard S. Davidoff, secretary.

Directors: Webster B. Brockelman, Jr., David K. Felbeck, John N. Fricker, Charles G. Leonhardt, Clarence A. Kemper.

Areas of Work: Designs and manufactures electronic laboratory instruments used for counting and measuring properties of objects such as bacteria, viruses, cells and particles and chemical mixtures. Other products are used for homogenizing laboratory fluids and for readng, interpreting, and recording certain laboratory tests. Conducts research and development of its own product lines as well as those of its clients. Its product lines are used in diversified fields, including industry, medical institutions, scientific organizations, and government agencies.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATK (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1981	$ 1,793,247	$ 178,201
1980	2,208,476	330,075
1979*	1,333,947	219,437
1978	886,963	153,772
1977	641,340	53,755

	No. of Com. Shares #	Earn. per Share # †
1981	1,091,963	$ 0.16
1980	1,091,276	0.30
1979	1,090,588	0.20
1978	742,795	0.21
1977	435,365	0.12

* Eleven months.
† Including extraordinary gains of $33,000 ($0.03 per share) in 1979, $63,000 ($0.09 per share) in 1978 and $14,000 ($0.03 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 1,423,470	$ 1.30
1980	1,244,519	1.14
1979	912,944	0.84
1978	693,507	0.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended March 31	1981	1980
Net sales	$ 1,793,247	$ 2,208,476
Cost of sales	906,205	1,111,640
Expenses	628,806	537,086
Proposed merger expenses	—	25,000
Interest income	41,965	39,325
Income before taxes	$ 300,201	$ 574,075
Income taxes	122,000	244,000
Net Income	$ 178,201	$ 330,075

* Included in Costs and Expenses, Depreciation and Amortization: $28,759 in 1981 and $19,391 in 1980.

Assets

As of Mar. 31	1981	1980
Cash	$ 406,633	$ 431,495
Accts. receiv., net	456,017	485,677
*Inventories	602,476	558,476
Prepaid expenses	6,483	3,089
Income Taxes Rec.	62,489	—
Current Assets	$ 1,533,580	$ 1,478,737
#Fixed assets	147,844	120,441
Patents	30,807	34,583
Total Assets	$ 1,712,231	$ 1,633,761
Liabilities		
Notes payable	$ 6,409	$ 7,226
Accounts payable	53,857	95,430
Accruals	53,476	92,015
Income taxes	—	153,897
Deferred income taxes	101,500	—
Total current liabilities	$ 215,241	$ 348,568
Long-term notes payable	18,520	29,674
Deferred income taxes	55,000	11,000
+ Common stock	109,209	109,134
Add. paid-in capital	910,445	909,770
Retained earnings	403,816	225,615
Total Liabilities & Shareholders' Equity	$ 1,712,231	$ 1,633,761

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.74	25.99
%Net Income to Sales	9.94	14.95
%Net Income to Equity	12.52	26.52
Sales to Inventories	2.98	3.95
Working Capital	$1,318,339	$1,130,169
Current Ratio	7.12	4.24
Shareholders' Equity	$1,423,470	$1,244,519

Arvin Industries, Inc.

1531 East 13th Street
Columbus, Indiana 47201
(812) 372-7271

Officers: Eugene I. Anderson, chairman of the board; James K. Baker, president & chief exec. officer; Haren B. Thakor, v.p. & treasurer; W. Frederick Meyer, v.p.-public affairs; V. William Hunt, v.p.-administration & secretary; Loren K. Evans, John P. Sohn, Robert H. Braswell, group vice presidents; Orie C. Fritts, president-Capspan Corporation; Francis J. Myers, president-Consumer Electronics; Ronald J. Rosin, president-Consumer Housewares; James S. Smith, president-Roll Coater, Inc.; Charles H. Watson, president-Arvinyl.

Directors: Eugene I. Anderson, chairman; James K. Baker, Robert H. Braswell, H. Prentice Browning, Thomas A. Danner, Loren K. Evans, Douglas G. Fleming, Hugh F. Kennison, Frederick R. Meyer, William C. Musham, Robert S. Schaerges, Ellis W. Smith, John P. Sohn.

Areas of Work: Operates in four business segments: Automotive-manufacture of mufflers, exhaust and tail pipes, catalytic converters, corrosion resistant coatings and other metal tubular parts, interior trim parts and exterior trim moldings, vinyl metal truck and bus parts, and restraint systems and tire testing services; Appliance and Hardware—maufacture of AM/FM stereo phonographs and tape players, fan-forced fireplace heat exchangers, portable electric heaters, electric fireplaces, wind turbine home attic ventilators and various forms of painted and vinyl-laminated steel for appliance housings; Government and Utilities—aerodynamic, environmental, thermal and flight research, manufacture of airport radar transmission cameras, security systems for power generating plants, and bulkhead panels for U.S. Navy and Coast Guard ships. Commercial and Industrial—coated metal for various uses in products such as commercial refrigeration, water coolers, and freezers.

Divisions and Subsidiaries:

Calspan Corporation
Advanced Technology Center
P.O. Box 400
Buffalo, New York 14225
(716) 632-7500

Engaged in the development and production of instrumentation and color video recording systems, and closed circuit video camera systems; industrial and defense electronic products, and automation equipment.

Arvinyl Division
Columbus, Indiana
Fullerton, California

Supplies industries wih vinyl-to-metal laminates; this prefinished product is fabricated into television and phonograph cabinets, humidifiers, cameras, architectural panels, display cabinets, typewriter components, automotive parts, portable electric heaters, housewares, electronic equipment housings. Heat-sealed padded vinyls and form-padded vinyls used in office machines, appliances and the automotive industry, sandwich materials used in the farm implement industry.

Automotive Division
Columbus, Indiana

Northland Towers East
Suite 502
Southfield, Michigan 48075
(313) 353-6040

East Wiley Street
Greenwood, Indiana 46142
(317) 881-2551

North Hurricane Avenue
Franklin, Indiana 46131
(317) 736-7111

East Madison Avenue
North Vernon, Indiana 47265
(812) 346-5750

U.S. Highway 43 and Mill Street
Fayette, Alabama

P.O. Box 248
Dexter, Missouri 63841

P.O. Box 800
Monticello, Arkansas 71655
(510) 367-3481

Manufactures and distributes automotive parts both as original equipment and for replacement or service applications.

Arvin Automotive of Canada, Ltd.
(formerly General Tubes, Ltd.)
248 Bowes Road
Concord, Ontario, Canada
(416) 669-1080

Manufactures specialty tubular products for automotive exhaust systems.

Roll Coater, Inc.
U.S. Route 40 East
P.O. Box 186
Greenfield, Indiana 46140
(317) 462-7761

Kingsbury Industrial Park
Kingsbury, Indiana 46345

Produces pre-decorated coils of aluminum and steel.

Consumer Operations:

Housewares
Tupelo, Mississippi

Manufactures portable electric heaters, decorator electric fireplaces, portable electric humidifiers, wind turbine attic ventilators.

Electronics
Highway 278
P.O. Box 667
Princeton, Kentucky 42445
(502) 365-5505

Manufactures and markets compact and component stero systems.

Automotive Aftermarket Division
Supreme Distributors
Columbus, Indiana

Distributor of exhaust systems to private customers.

Arvin Finance Corporation
1531 E. 13th Street
Columbus, Indiana 47201
(812) 372-7271

Provides real estate financing, ownership and leasing capabilities to Arvin's operations divisions.

Arvin International Inc.
1531 E. 13th Street
Columbus, Indiana 74201
(812) 372-7271

Arvin (Taiwan) Ltd.
3rd Floor, No. 27
Chung-King South Road
Section 1
P.O. Box 58202
Taipei, Taiwan

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): New York, Midwest

Ticker Symbol: ARV

Number of Employees:

1981	8,000	1978	9,911
1980	8,000	1977	8,191
1979	8,500		

Plant Footage:

1981	5,800,000 sq. ft.	1978	6,000,000
1980	6,000,000	1977	6,000,000
1979	6,000,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 495,136,000	$ 12,424,000
1980	428,849,000	7,588,000
1979	493,211,000	20,422,000
1978	489,079,000	23,066,000
1977	460,269,000	28,911,000

	No. of Com. Shares	Earn. per Share ‡
1981	6,852,697	$ 1.64
1980	6,624,378	0.92
1979	6,529,709	2.88
1978	6,445,432	3.36
1977	6,014,772	4.42

* 53 weeks.
‡ Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Automotive	$ 281,687	$ 258,133
Appliance & hardware	97,576	93,896
Government & utilities	75,400	41,205
Commercial	40,473	35,615
Total	$ 495,136	$ 428,849

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.12	—	—
1980	1.12	—	—
1979	1.03	—	—
1978	1.00	—	—
1977	0.81	—	—

Common Stock Equity

	Total Equity +	Equity Per Share
1981	$ 159,222,000	$ 23.23
1980	152,025,000	22.95
1979	152,408,000	23.34
1978	139,637,000	21.66
1977	118,497,000	19.70

+ After allowing for preferred stock at liquidation value.

Income Account *

Year ended	1/3/82 (53 weeks)	12/28/80
Net sales	$ 495,136	$ 428,849
Other income	7,699	2,198
Total income	$ 502,835	$ 431,047
Cost of sales	421,560	363,129
Expenses	51,406	48,615
Interest expense	7,684	7,861
Income before taxes	$ 22,185	$ 11,422
Income taxes	9,761	3,854
Net Income	$ 12,424	$ 7,588

* Included in Costs and Expenses, Depeciation: $13,198,000 in 1981 and $12,808,000 in 1980.

Assets

As of	1/3/82	12/28/80
Cash and temp. investments	$ 38,296	$ 32,242
Accts. receiv., net	51,454	66,726
*Inventories	64,053	72,021
Oper. supplies	1,153	1,680
Prepaid expenses	7,540	915
Current Assets	$ 162,496	$ 173,584
#Fixed assets	111,314	118,099
Other assets	17,702	10,752
Special tools	1,890	2,164
Total Assets	$ 293,402	$ 304,599

Liabilities

Notes payable	$ 780	$ 996
Long-term debt. curr.	4,478	4,475
Accts. payable	14,176	27,652
Accruals	15,865	13,054
Income taxes	4,672	3,164
Curr. Liabilities	$ 39,971	$ 49,341
Long-term debt	72,165	78,197
Deferred inc. taxes	5,782	5,085
+ Preferred stock:		
1976 issue	10,931	13,791
Series B	4,633	5,280
+ + Common stock	17,132	16,561
Add. paid-in capital	29,482	26,545
Retained earnings	113,306	109,799
Total Liabilities & Shareholders' Equity	$ 293,402	$ 304,599

* At lower of cost (principally LIFO) market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.48	2.66
%Net Income to Sales	2.51	1.77
%Net Income to Equity	7.08	4.41
Sales to Inventories	7.73	5.95
Working Capital	$122,525,000	$124,243,000
Current Ratio	4.07	3.52
Shareholders' Equity	$175,484,000	$171,976,000

Astrex, Inc.

150 Fifth Avenue
New York, New York 10011
(212) 989-5000

Officers: Mark Schindler, chairman of the board; Morris Kass, president & chief executive officer; Ronald S. Kass, v.p. Herbert H. Blum, treasurer; Frederick I. Levy, secretary.

Directors: Mark Schindler, chairman; Morris Kass, Frederick I. Levy, Herbert H. Blum, Ronald S. Kass, Thomas J. Sandleitner, Harvey Martin.

Areas of Work: Distributor of electronic parts and components in the Delaware Valley, New York and New England areas; operates a chain of catalogue showrooms on the West Coast of Florida.

Divisions and Subsidiaries:

Resco Electronics Division
Pennsauken, New Jersey
(609) 662-4000

Masters Merchandise Mart.Inc.
Sarasota, Florida
(813) 355-7183

Progress Electronics Inc.
Plainview, New York
(516) 433-1700

ASI, Inc.
Binghamton, New York
(607) 723-6326

T.F. Cushing, Inc.
Springfield, Massachusetts
(413) 788-7341

Connector Company Division
New Haven, Connecticut
(203) 624-0127

ASI Electronics Corporation
Endwell, New York
(607) 754-3823

Dutrex Industries, Inc.
New York, New York
(212) 989-5000

Link Electronics, Inc.
Plainview, New York
(516) 433-1030

Transfer Agent(s):

Bradford Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ASI

Sales and Earnings

	Net Sales +	Net Income#
1981	$ 60,167,709	$ 2,416,263
1980	53,610,383	1,484,123
1979	40,948,085	1,127,931
1978	34,906,977	1,005,862
1977	29,939,020	735,192

	No. of Com. Shares ‡	Earn per Share‡#
1981	1,570,632	$ 1.54
1980	1,409,288	1.05
1979	1,790,098	0.63
1978	1,913,542	0.53
1977	2,674,986	0.28

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.
# Including extraordinary gain of $100,362 ($0.10 per share) in 1978.

Revenues By Line of Business

	1981	1980
Sales of electronic parts & components	$ 30,570,060	$ 25,616,289
Catalog showrooms	29,597,649	26,823,342
Mail order sales of power tools & equip. sales	—	1,170,752
Total	$ 60,167,709	$ 53,610,383

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	2-for-1
1980	—	—	—
1979	—	—	—
1978	0.10	—	—
1977	0.075	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 16,560,590	$ 10.54
1980	6,965,405	4.94
1979.	5,437,782	3.04
1978	6,659,427	3.48
1977	8,080,977	3.02

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1981	1980
Net sales	$ 60,167,709	$ 53,610,383
Cost of sales	42,529,934	38,032,678
Expenses	11,692,835	10,857,418
Prov.for doubtful accts.	37,593	85,324
Interest expense	2,067,442	1,816,031
Interest income	(269,315)	(12,564)
Gain on sale	—	(93,847)
Gain on debentures	(314,586)	—
Income before taxes	$ 4,423,846	$ 2,925,343
Income taxes	1,863,375	1,352,989
Inc.-cont. oper.	$ 2,560,471	$ 1,572,354
Loss-discont. oper.	(144,208)	(88,231)
Net Income	$ 2,416,263	$ 1,484,123

*Included in Costs and Expenses, Depreciation and Amortization: $558,546 in 1981 and $528,892 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 3,589,198	$ 2,126,657
Accts.& notes receiv. net	5,144,425	4,345,401
*Inventories	19,163,646	15,779,296
Prepaid expenses	262,493	64,249
Current Assets	$ 28,159,762	$ 22,315,603
#Fixed assets	7,260,865	6,124,725
Other assets	1,039,254	993,445
Intangibles	1,019,672	1,019,672
Total Assets	$ 37,479,553	$ 30,453,445

Liabilities

	1981	1980
Notes payables	$ 1,250,000	$ 2,971,034
Long-term debt.curr.	1,140,069	1,037,376
Accts.& notes payable	7,154,125	5,877,275
Accruals	534,192	748,241
Income taxes	486,109	359,275
Curr. Liabilities	$ 10,564,495	$ 10,993,201
Long-term debt	9,606,704	11,986,235
Def.income taxes	747,764	508,604
+Common stock	302,390	233,723
Add paid-in capital	9,601,383	1,725,373
Retained earnings	7,422,572	5,006,309
Treasury stock	(765,755)	—
Total Liabilities & Shareholders' Equity	$ 37,479,553	$ 30,453,445

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.16⅔ par value.

Statistical Summary

	1981	1980
%Net Income to Equity	14.59	21.31
Sales to Inventories	3.14	3.40
Working Capital	$17,595,267	$11,322,402
Current Ratio	2.67	2.03
Shareholders' Equity	$16,560,590	$6,965,405

Astrosystems, Inc.

6 Nevada Drive
Lake Success, New York 11042
(516) 328-1600

Officers: Seymour Barth, chairman of the board & president; Elliot J. Bergman, vice president and secretary; Gilbert H. Steinberg, vice president and treasurer.

Directors: Seymour Barth, Elliot J. Bergman, Morton L. Certilman, Gilbert H. Steinberg.

Areas of Work: Designs and manufactures proprietary electronic and electromechanical products for precision monitoring and control of industrial, military and aerospace processes, often used in conjunction with computers, programmable controllers and micro-processors. The Company is currently developing a programmable robot for use in light duty industrial applications.

Subsidiaries:

Dimensional Systems, Incorporated
100 Commerce Way
Woburn, Massachusetts 01801

Designs complete computer-based systems for the control of various manufacturing processes.

ASI International, Inc. (DISC)
6 Nevada Drive
Lake Success, New York 11040

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASTR (NASDAQ)

Number of Employees:

1981 110

Plant Footage:

1981 . . . . 25,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,060,000	$ 1,901,000
1980	6,732,000	1,272,000
1979	6,354,000	894,000
1978	5,717,000	730,000
1977	5,040,000	877,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	4,304,000	$ 0.44
1980	3,380,000	0.38
1979	3,444,000	0.26
1978	3,496,000	0.21
1977	3,536,000	0.25

‡ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	4-for-1†

† Authorized Nov. 1980

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 14,461,000	$ 3.36
1980	5,764,000	1.71
1979	4,601,000	1.34
1978	3,760,000	1.08
1977	3,079,000	0.87

‡ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 8,060,000	$ 6,732,000
Cost of sales	3,826,000	3,106,000
Expenses	1,664,000	1,417,000
Profit-sharing plan contrib.	175,000	150,000
Other income	(1,290,000)	(387,000)
Prov. for doubtful accts.	79,000	—
Income before taxes	$ 3,606,000	$ 2,446,000
Income taxes	1,705,000	1,174,000
Net Income	$ 1,901,000	$ 1,272,000

* Included in Costs and Expenses, Depreciation and Amortization: $15,000 in 1981 and $10,000 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 296,000	$ 195,000
Marketable securities	11,340,000	5,139,000
Accts. & notes receiv.	2,273,000	876,000
*Inventories	1,247,000	221,000
Prepaid expenses & other assets	492,000	147,000
Current Assets	$ 15,648,000	$ 6,578,000
Marketable securities	844,000	844,000
#Fixed assets	38,000	23,000
Total Assets	$ 16,530,000	$ 7,445,000

Liabilities

	1981	1980
Accts. payable	$ 362,000	$ 288,000
Accruals	323,000	169,000
Accrued prof. sh.	175,000	150,000
Accrued payroll	219,000	123,000
Income taxes	990,000	951,000
Curr. Liabilities	$ 2,069,000	$ 1,681,000
+Common stock	488,000	335,000
Add. paid-in capital	6,914,000	230,000
Retained earnings	7,059,000	5,199,000
Total Liabilities & Shareholders' Equity	$ 16,530,000	$ 7,445,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	44.74	36.33
%Net Income to Sales	23.59	18.89
%Net Income to Equity	13.15	22.07
Sales to Inventories	6.46	30.46
Working Capital	$13,579,000	$ 4,897,000
Current Ratio	7.56	3.91
Shareholders' Equity	$14,461,000	$ 5,764,000

Atlantic Research Corporation

5390 Cherokee Avenue
Alexandria, Virginia 22314
(703) 642-4000

Officers: Coleman Raphael, chairman of the board & chief executive officer; William H. Borten, president & chief operating officer; W. Gerald Hamm, exec. v.p.-operations; Charles B. Henderson, sr. v.p.-research & technology; Keith G. Britton, v.p.-marketing; George K. Oss, v.p. & gen. mgr.-Teleproducts Division; Christopher W. Robertson, v.p.-finance & treasurer; James R. Sides, v.p. & gen. mgr.-Propulsion Division; George D. Summers, v.p. & gen. mgr.-Advanced Programs Division; Lilliam T. Elkey, secretary; Lambert C. Murphy, asst. secretary; Richard L. Swanson, asst. treasurer.

Directors: Coleman Raphael, chairman; William H. Borten, Lawrence A. Goldmuntz, W. Gerald Hamm, Charles B. Henderson, Howard J. Lassiter, Joseph S. Steinberg.

Areas of Work: The Company's electronic activities consist of the development and manufacture of data communications test equipment which are used in the testing, operating and maintenance of data communications networks. Other segments include electromagnetic engineering and propulsion systems for defense applications.

Subsidiaries:

Datatronix, Inc.
Reston, Virginia

Tri-Seal International
Mamaroneck, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATRC (NASDAQ)

Number of Employees:

1981 1,514

Sales and Earnings

	Net Sales	Net Income
1981	$ 93,197,000	$ 3,503,000
1980	80,455,000	2,308,000
1979	57,702,000	1,845,000
1978	45,339,000	1,224,000
1977	33,335,000	1,011,000

	No. of Com. Shares #	Earn. per Share #
1981	1,844,261	$ 1.90
1980	1,699,363	1.36
1979	1,309,143	1.41
1978	1,073,696	1.15
1977	953,900	1.06

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Solid propellant rocket motors	$ 53,472	$ 48,508
Data communications test equipment	22,368	14,359
Electromagnetic engineering	7,960	7,303
Other	9,397	10,285
Total	$ 93,197	$ 80,455

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 17,949,000	$ 9.73
1980	14,446,000	8.50
1979	7,826,000	5.98
1978	2,922,000	2.72
1977	1,163,000	1.22

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 93,197	$ 80,455
Cost of sales	73,442	64,581
Expenses	11,938	10,099
Interest expense	2,627	2,068
Other expense (inc.)	(7)	10
Inc. bef. taxes	$ 5,197	$ 3,697
Income taxes	1,694	1,389
Net Income	$ 3,503	$ 2,308

* Included in costs and Expenses, Depreciation and Amortization: $1,858,000 in 1981 and $1,547,000 in 1980.

Assets
(000's)

As at Dec. 31	1981	1980
Cash	$ 1,281	$ 1,217
Trade receiv., net	16,498	17,459
Unbilled receiv.	6,319	4,650
*Inventories	9,078	7,858
Other assets	697	283
Current Assets	$ 33,873	$ 31,467
#Fixed assets	19,017	13,153
Other assets	318	822
Total Assets	$ 53,208	$ 45,442

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 1,020	$ 255
Oblig. under cap. lease	228	268
Accts. payable	7,455	7,209
Accruals	3,540	2,580
Other payables	2,089	1,952
Income taxes	3,119	2,124
Curr. Liabilites	$ 17,451	$ 14,388
Long-term debt	13,132	11,659
Oblig. under cap. leases	4,186	4,642
Deferred comp.	490	307
+Common stock	184	184
Add. paid-in capital	7,836	7,836
Retained earnings	9,929	6,426
Total Liabilities & Shareholders' Equity	$ 53,208	$ 45,442

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.58	4.60
%Net Income to Sales	3.76	2.87
%Net Income to Equity	19.52	15.98
Sales to Inventories	10.27	10.24
Working Capital	$16,422,000	$17,079,000
Current Ratio	1.94	2.19
Shareholders' Equity	$17,949,000	$14,446,000

Atlan-Tol Industries, Inc.

Atlan-Tol Industrial Park
West Warwick, Rhode Island 02893
(401) 828-4000

Officers: Albert W. Ondis, president & treasurer; Jacques V. Hopkins, secretary; Everett V. Pizzuti, Louis J. Valois, vice presidents.

Directors: Albert W. Ondis, Jacques V. Hopkins, Edward M. Watson.

Areas of Work: Engaged in the manufacture of vacuum metalized capacitor dielectric materials, electronic instruments (primarily graphic recording instruments), and electrosensitive print-out paper.

Transfer Agent(s):

National Bank
Providence, Rhode Island

Stock Exchange(s): Boston, Over-the-Counter

Ticker Symbol: ALI, ALOT (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1982	$ 9,527,000	$ 356,000
1981	8,592,000	287,000
1980	7,227,000	419,000
1979	4,847,000	337,000
1978	4,248,000	281,000

	No. of Com. Shares	Earn. per Share #†
1982	812,079	$ 0.42
1981	772,079	0.36
1980	772,079	0.53
1979	772,079	0.44
1978	772,079	0.36

† Including extraordinary gains of $144,000 ($0.18 per share) in 1978.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 2,081,505	$ 2.56
1981	1,743,102	2.26
1980	1,477,075	1.91
1979	1,053,766	1.36
1978	716,413	0.93

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 9,527,388	$ 8,592,412
Cost of sales	7,102,933	6,353,998
Expenses	1,704,411	1,329,168
Int. expense	507,048	432,550
Other income	(106,947)	(1,767)
Total costs	$ 9,207,445	$ 8,113,949
Inc. from cont'd oper.	319,943	478,463
Income tax (credit)	(26,823)	159,329
Income from cont'd oper.	$ 346,766	$ 319,134
Income (Loss) from discont'd oper.	9,517	(32,413)
Net Income	$ 356,283	$ 286,721

* Included in Costs and Expenses, Depreciation and Amortization: $282,310 in 1981 and $221,589 in 1980.

Assets

As of Jan. 31	1982	1981
Cash	$ 10,068	$ 22,707
Trade accts. & notes receiv.	1,668,328	1,750,309
*Inventories	1,920,331	2,135,856
Prepaid expenses & other assets	250,790	180,900
Current Assets	$ 3,849,517	$ 4,089,772
#Fixed assets	4,389,966	3,393,073
Other assets	311,929	38,541
Intangibles	101,295	142,257
Total Assets	$ 8,652,707	$ 7,663,643

Liabilities

	1982	1981
Notes payable	$ 1,123,525	$ 1,471,611
Long-term debt, curr.	288,225	239,880

Atlan-Tol Industries, Inc.

Accts. payable	1,288,867	1,734,479
Accruals	241,205	333,629
Contractual payments	160,476	—
Curr. Liabilities	$ 3,196,722	$ 3,687,185
Long-term debt	2,911,968	2,121,818
Deferred inc. taxes	117,278	111,538
Preferred stock	345,234	—
+ Common stock	40,604	38,604
Add. paid-in capital	494,061	492,681
Retained earnings	1,546,840	1,211,817
Total Liabilities & Shareholders' Equity	$ 8,652,707	$ 7,663,643

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Net Income to Equity	17.12	16.45
Sales to Inventories	4.44	4.46
Working Capital	$ 652,795	$ 402,587
Current Ratio	1.20	1.11
Shareholders' Equity	$2,081,505	$1,743,102

Audiotronics Corporation

7428 Bellaire Avenue
North Hollywood, California 91605
(213) 765-2645

Mailing Address:

Box 3997
North Hollywood, California 91609

Officers: Don E. Warner, chairman & president; Charles A. Musson, exec. v.p.; Celia S. LaSalle, v.p. & secretary; Allen E. Sawyers, v.p.-operations; James R. Hopkins, sr. v.p.-finance & treasurer; Richard D. Sims, v.p.-industrial relations.

Directors: Don E. Warner*, Celia S. LaSalle*, Charles A. Musson*, Walter Liberato, Robert H. Klagman.

*Member of Executive Committee.

Areas of Work: Designs, manufactures and markets video displays, monitors, audiovisual products and instructional programs for industry, education and communications.

Divisions:

Audiotronics Video Display Division, Inc.
8299 Central Avenue N.E.
Spring Lake Park, Minnesota 55432
(612) 780-1840

Audiotronics Audio Products Division
7428 Bellaire Avenue
North Hollywood, California 91605
(213) 765-2645

Subsidiaries:

Audiotronics International, Inc. (DISC)
North Hollywood, California 91605
(213) 765-2645

Audiotronics International, Inc.
London, England (U.K.)

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American, Pacific

Ticker Symbol: ADO

Number of Employees:

1981	407	1978	424
1980	40[illegible]	1977	325
1979	428		

Sales and Earnings

	Net Sales	Net Income
1981	$ 23,132,000	$ 563,000
1980	22,943,000	965,000
1979	19,338,000	819,000
1978	16,504,000	991,000
1977	13,675,000	797,000

	No. of Com. Shares #	Earn. per Shares #
1981	1,103,075	$ 0.51
1980	948,260	1.02
1979	935,572	0.88
1978	923,283	1.07
1977	913,211	0.87

Based on weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.160	—	—
1980	0.160	—	—
1979	0.130	—	—
1978	0.120	10%	—
1977	0.165	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 10,058,000	$ 9.12
1980	6,924,000	7.30
1979	6,089,000	6.51
1978	5,350,000	5.79
1977	4,432,000	4.85

Based on weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 23,132,038	$ 22,943,078
Cost of sales	18,140,028	16,943,236
Selling expenses	1,829,551	1,849,505
Interest expense	212,378	330,124
Gen. & adm. expense	2,029,860	1,939,087
Income before taxes	$ 920,221	$ 1,881,126
Income taxes	357,000	916,000
Net Income	$ 563,221	$ 965,126

* Included in Costs and Expenses, Depreciation: $296,838 in 1981 and $217,993 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 294,863	$ 596,015
Short-term investments	1,017,598	—
Accts. receiv., net	3,309,021	3,427,153
* Inventories	6,255,717	6,830,501
Prepaid expenses	94,916	76,893
Current Assets	$ 10,972,115	$ 10,930,562
# Fixed assets	1,233,920	909,795
Other assets	29,968	23,423
Product development costs	84,397	71,662
Total Assets	$ 12,330,400	$ 11,935,442

Liabilities

Notes payable	$ —	$ 400,000
Long-term debt, curr.	—	209,068
Accts. payable	1,704,387	1,663,723
Accruals	557,950	647,672
Acceptances payable	—	735,435
Income taxes	—	774,170
Curr. Liabilities	$ 2,262,337	$ 4,490,068
Long-term debt	—	521,125
+ Common stock	1,315,113	951,211
Add. paid-in capital	4,119,619	1,731,889
Retained earnings	4,623,331	4,241,149
Total Liabilities & Shareholders' Equity	$ 12,320,400	$ 11,935,442

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.98	8.20
%Net Income to Sales	2.43	4.21
%Net Income to Equity	5.60	13.94
Sales to Inventories	3.70	3.36
Working Capital	$8,709,778	$6,440,494
Current Ratio	4.85	2.43
Shareholders' Equity	$10,058,063	$6,924,249

Augat Inc.

89 Forbes Boulevard
P.O. Box 448
Mansfield, Massachusetts 02048
(617) 543-4300

Officers: Roger D. Wellington, chairman of the board & chief executive officer; William P. Miller, president & chief operating officer; Gerald F. Barrett, executive v.p. & chief financial officer; Richard M. Grubb, v.p.-marketing; Thomas C. Colbert, v.p.-human resources; L. Harrison Thayer, II, asst. secretary; Daniel J. Maher, Jr., corporate controller.

Directors: Robert S. Lawrence, Ernest H. Augat, Samuel S. Dennis, III, James A. Harmon, Roger D. Wellington, Vernon R. Alden, Gerald F. Barrett, David V. Ragone, William P. Miller, Richard B. Young.

Areas of Work: Designs and manufactures electromechanical components, services, and precision materials for the electronic industry. Products include packaging panels, logic design and wiring service, sockets, and accessories for mechanically mounting and electrically interconnecting integrated circuits, sub-miniature switches, and high reliability packages for microcircuits and semiconductors.

Divisions and Subsidiaries

Interconnection Components Division
Attleboro & Mashpee, Massachusetts
F. Angelis, v.p. & general manager.

Interconnection Systems Division
Attleboro, Massachusetts
El Campo, Texas
Van Nuys, California
Fresnes, France
J. Braun, v.p. & general manager.

Isotronics, Inc.
New Bedford, Massachusetts
Jay Greenspan, v.p. & general manager.

Alcoswitch
North Andover & Mashpee, Massachusetts
A. Contarino, president.

Vitek
Edison, New Jersey
El Paso, Texas
R. Geissler, president.

Reliable Electronic Finishing Company, Inc.
Canton, Massachusetts
A. Rosenberg, v.p. & general manager.

Electroform S.A.
Bioggio, Manno & Lugano, Switzerland

Standard Plastics
Attleboro, Massachusetts
F. Angelis, v.p. & general manager.

LRC Electronics
Horseheads, Vestal & Hornel, New York
K. McIntosh, president.

Precision Materials Division
Attleboro, Massachusetts

Datatex
Houston, Texas
J. Braun, v.p. & general manager.

Bondex, Inc.
Waltham, Massachusetts
J. Braun, v.p. & general manager.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AUG

Number of Employees:

1981	3,200	1979	3,000
1980	3,000	1978	2,600

Plant Footage:

1981	765,000 sq. ft.	1980	765,000

Sales and Earnings ‡

	Net Revenues	Net Income
1981	173,909,000	20,098,000
1980	161,589,000	18,254,000
1979	133,830,000	16,103,000
1978	90,106,000	10,891,000
1977	61,555,000	6,933,000

	No. of Com. Shares #	Earn. per Share #
1981	13,845,000	1.45
1980	13,575,000	1.34
1979	13,245,000	1.22
1978	12,230,000	0.89
1977	11,660,000	0.59

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Cash Dividend	Stock Split
1981	$0.32	—	3-for-2
1980	0.294	—	—
1979	0.232	—	3-for-2
1978	0.176	—	3-for-2
1977	0.107	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity ‡

	Total Equity	Equity Per Share +
1981	102,678,000	7.42
1980	83,334,000	6.14
1979	66,937,000	5.05
1978	52,054,000	4.26
1977	31,465,000	2.70

‡ Restated.
+ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net Revenues	$ 173,909,407	$ 161,588,640
Cost of sales	109,276,004	101,405,185
Expenses	32,452,802	27,588,364
Other income	(5,043,849)	(1,155,590)
Interest expense	3,394,736	1,508,989
Income before taxes	$ 33,829,714	$ 32,241,700
Income taxes	13,670,000	13,635,000
Minority interest	62,000	353,000
Net Income	$ 20,097,714	$ 18,253,700

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $5,467,670 in 1981 and $4,462,022 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 15,224,554	$ 10,694,886
Short-term investments	17,536,100	9,269,656
Accts. receiv., net	33,481,828	29,430,737
*Inventories	45,616,588	43,317,985
Prepaid expenses	608,955	437,552
Current Assets	$ 112,468,025	$ 103,150,816
#Fixed assets	51,646,884	40,847,181
Other assets	2,358,621	5,425,724
Total Assets	$ 166,473,530	$ 149,423,721

Liabilities

Notes payable	$ —	$ 290,000
Long-term debt, curr.	913,234	812,376
Accts. payable	4,553,007	4,421,459
Accrued payroll and other compensation	2,780,157	3,162,195
Other accrued expenses	4,415,235	3,507,638
Income taxes	6,282,336	9,674,711
Curr. Liabilities	$ 18,943,969	$ 21,868,379
Long-term debt	40,971,387	41,077,348
Minority interest	531,160	477,245
Deferred inc. taxes	3,348,887	2,666,887
+Common stock	1,394,682	917,107
Add. paid-in capital	18,923,255	15,310,552
Retained Earnings	82,360,190	67,106,203
Total Liabilities & Shareholders' Equity	$ 166,473,530	$ 149,423,721

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.45	19.95
%Net Income to Sales	11.56	11.30
%Net Income to Equity	19.57	21.90
Sales to Inventories	3.81	3.73
Working Capital	$ 93,524,056	$81,282,437
Current Ratio	5.94	4.72
Shareholders' Equity	$102,678,127	$83,333,862

Auric Corporation

470 Frelinghuysen Avenue
Newark, New Jersey 07114
(201) 242-4110

Officers: Maurice Bick, president; Leo Kosowsky, vice president.

Directors: Maurice Bick, Leo Kosowsky, Theodore Cohn, Theodore Doll, Jr.

Areas of Work: Providing chemical products, gold processes and solutions equipment, and materials, all of which are used in the electronics, aerospace, computer metal working and jewelry industries.

Subsidiary:

Fidelity Chemical Products Corporation

Transfer Agent(s):

Midlantic National Bank
Newark, New Jersey

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	30	1978	30
1980	30	1977	30
1979	30		

Plant Footage:

1981	30,000 sq. ft	1978	20,000
1980	30,000	1977	20,000
1979	20,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 13,694,213	$ 131,571
1980	19,694,590	125,920
1979	9,109,735	48,669
1978	8,542,931	111,429
1977	5,470,226	(76,926)

	No. of Com. Shares	Earn. per Share ‡
1981	401,700	$ 0.33
1980	401,700	0.31
1979	401,700	0.12
1978	401,700	0.28
1977	401,700	—

(Loss)
+ Of continuing operations.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,558,235	$ 3.88
1980	1,426,664	3.55
1979	1,300,744	3.24
1978	1,252,075	3.12
1977	1,140,646	2.84

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 13,694,213	$ 19,694,590
Cost of sales	12,746,228	18,859,799
Expenses	734,176	615,911
Interest expense	35,030	54,520
Other income	23,815	(22,760)
Income before taxes	$ 202,594	$ 187,120
Income taxes	71,023	61,200
Net Income	$ 131,571	$ 125,920

* Included in Costs and Expenses, Depreciation and Amortization: $88,461 in 1981 and $88,502 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 294,787	$ 822,386
Accts. receiv., net	708,823	590,133
Refundable taxes	—	7,207
* Inventories	1,226,999	1,715,535
Prepaid exp. & other assets	54,960	50,086
Current Assets	$ 2,285,569	$ 3,185,347
# Fixed assets	576,895	597,357
Other assets	118,182	79,893
Total Assets	$ 2,980,646	$ 3,862,597

Liabilities

Accts. payable	$ 1,101,230	$ 2,088,233
Accruals	79,696	71,615
Inc. taxes	24,000	38,300
Due customers	38,310	42,085
Long-term debt, curr.	31,250	31,250
Curr. Liabilities	$ 1,274,486	$ 2,271,483
Long-term debt	125,000	156,250
Deferred inc. taxes	—	8,200
+ Common stock	40,170	40,170

Add. paid-in capital	457,335	457,335
Retained earnings	1,060,730	929,159
Deferred compensation	22,925	—
Total Liabilities & Shareholders' Equity	$ 2,980,646	$ 3,862,597

* Gold at LIFO. Chemicals and solvents and supplies are valued using the FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes -to Sales	1.48	0.95
%Net Income to Sales	0.96	0.64
%Net Income to Equity	8.44	8.83
Sales to Inventories	11.16	11.48
Working Capital	$1,011,083	$ 913,864
Current Ratio	1.79	1.40
Shareholders' Equity	$1,558,235	$1,426,664

Auto-trol Technology Corporation

12500 North Washington
P.O. Box 33815
Denver, Colorado 80233
(303) 452-4919

Officers: Graham O. King, president & chief executive officer; Howard B. Hillman, chairman of the board; E. Joseph Zemke, executive v.p.; Gene H. Barduson, James T. Hammock, v.p.'s-marketing; Carnig Izmirian, v.p.-field engineering; Paul J. Jerde, v.p.-finance & treasurer; Robert N. McFarland, v.p.-international operations; Arthur P. Minich, v.p.-research & development; John F. Rogers, director of sales & marketing-European operations; H. William Taylor, general counsel & secretary; B. Jane Castrodale, asst. secretary.

Directors: Howard B. Hillman, chairman; James B. Farinholt, William R. Hambrecht, Donald E. Smith, Robert E. King, Graham O. King.

Areas of Work: Develops, manufactures, markets and services computer aided design/computer aided manufacturing (CAD/CAM) systems.

Subsidiaries:

Auto-trol Technology S.A.
91 Rue Du Faubourg Saint Honore
75008 Paris, France

Auto-trol Technology GmbH
Hochstrasse 95
D 5800 Hagen
West Germany

Auto-trol SRL
Corso Svizzera 185
10147 Torino
Italy

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AUTR (NASDAQ)

Number of Employees:

1981 539

Plant Footage:

1981 . . . . . . 102,000 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 46,287,000	$ (3,272,000)
1980	50,762,000	3,787,000
1979	33,540,000	3,438,000
1978	21,250,000	1,764,000
1977	12,549,000	1,618,000

	No. of Com. Shares #	Earn. per Share ‡#
1981	3,157,000	$ —
1980	2,983,000	1.27
1979	2,679,000	1.28
1978	2,128,000	0.82
1977	2,096,000	0.77

(Loss)
‡ Including extraordinary gain of $649,000 ($0.31 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 23,427,000	$ 7.42
1980	26,832,000	8.99
1979	11,591,000	4.33
1978	1,760,000	0.83
1977	(12,000)	—

(Deficiency)
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 46,287,000	$ 50,762,000
Cost of sales & services	25,852,000	25,991,000
Expenses	23,992,000	18,074,000
Interest expense	2,072,000	715,000
Income (loss) before taxes	$ (5,629,000)	$ 5,982,000
Income taxes (credit)	(2,357,000)	2,195,000
Net Income (Loss)	$ (3,272,000)	$ 3,787,000

* Included in Costs and Expenses, Depreciation and Amotization: $1,285,000 in 1981 and $906,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,742,000	$ 515,000
Receiv., net	16,288,000	21,078,000
*Inventories	9,799,000	8,543,000
Prepaid expenses & serv. parts	1,559,000	1,431,000
Current Assets	$ 29,388,000	$ 31,567,000
#Fixed assets	15,121,000	14,232,000
Service parts	3,378,000	3,456,000
Other assets	3,919,000	1,055,000
Total Assets	$ 51,806,000	$ 50,310,000

Liabilities

Notes payable	$ 11,354,000	$ —
Long-term debt, curr.	1,506,000	946,000
Accts. payable	1,815,000	3,178,000
Accrued compen. & rel. taxes	698,000	1,372,000
Deferred service revenue	1,049,000	703,000
Deferred inc. taxes	1,860,000	2,928,000
Other liab.	2,093,000	834,000
Curr. Liabilities	$ 20,375,000	$ 9,961,000
Long-term debt	6,652,000	8,845,000
Deferred inc. taxes	286,000	855,000
Undisbursed. industr. develop. revenue bond proceeds	285,000	2,953,000
Redeem. Pref. & Class B Common stock	781,000	864,000
+ Common stock	18,555,000	17,788,000
Add. paid-in capital	269,000	269,000
Cum. curr. trans. adjust.	(900,000)	—
Retained earnings	5,503,000	8,775,000
Total Liabilities & Shareholders' Equity	$ 51,806,000	$ 50,310,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.78
%Net Income to Sales	—	7.46
%Net Income to Equity	—	14.11
Sales to Inventories	4.72	5.94
Working Capital	$ 9,013,000	$21,606,000
Current Ratio	1.44	3.17
Shareholders' Equity	$23,427,000	$26,832,000

Avco Corporation

1275 King Street
Greenwich, Connecticut 06830
(203) 531-2800

Officers: Robert P. Bauman, chairman of the board & chief executive officer; Donald K. Farrar, president; Gordon M. Tuttle, vice chairman of the board & general counsel; James R. Kerr, chairman of the finance committee; Matthew J. Shevlin, executive v.p.; Mac C. Adams, sr. v.p.; Owen E. Metzler, sr. v.p. & controller; Joseph S. Bartos, Jack Katzen, Francis X. Suozzi, vice presidents; Charles Y. Brush, v.p.-investments; George C. Coleman, v.p.-personnel; William D. Gaillard, v.p. & secretary; John B. Kelley, v.p.-government affairs; Warren Kunz, v.p.-planning; Dorothy M. Simon, v.p.-research; John J. Delucca, treasurer.

Directors: Robert P. Bauman, chairman; Joseph R. Carter, Donald K. Farrar, G. Keith Funston, Francis A. Harrington, Stanley E.G. Hillman, Edward R. Hodgkins, George P. Jenkins, Frederick W.P. Jones, Amos A. Jordan, Jr., James R. Kerr, Charles J. Merdinger, Sumner B. Tilton, Jr., Gordon M. Tuttle, Kendrick R. Wilson, Jr.

Areas of Work: Provides consumer loans and other financial services, manufactures commercial products such as aircraft components and specialized farm equipment, produces aerospace and defense equipment for the government, and engages in a variety of research and development activities. Also has subsidiaries involved in the life, accident and health, and variable annuity insurance fields, as well as interests in a land development concern.

Divisions and Subsidiaries:

Avco Electronics Division
4807 Bradford Drive
Huntsville, Alabama 35805
(205) 837-6500

Electronic equipment for the government and computerized data system for the National Aeronautics and Space Administration which will be used during the ground testing of NASA's space shuttle. The division also manufactures ratio control systems for the U.S. Army. Supplies classroom audiovisual equipment, centralized fire and theft security systems, and electronic equipment used in telephone switchboards. It also manufactures a hydraulic load control system which, by simulating extreme flight controls, enables manufacturers to test the strength and durability of airframe structures.

Avco Aerostructures Division
P.O. Box 210
Nashville, Tennessee 37202
(615) 361-2000

Airframe structures and assemblies; motorhomes, universal shock test equipment, space vehicle structures.

Avco Lycoming Division
652 Oliver Street
Williamsport, Pennsylvania 17701
(717) 323-6181

Aircraft piston engines, industrial and automotive diesel engines.

Avco Lycoming Division
550 South Main Street
Stratford, Connecticut 06497
(203) 385-2000

Gas turbine engines and support equipment for aircraft, marine, industrial and vehicle applications-subcontract machining.

Avco New Idea Farm Equipment Division
420 South First Street
Coldwater, Ohio 45828
(419) 678-5311

Specialized farm equipment.

Avco International Service Division
12011 Mosteller Road
Cincinnati, Ohio 45241
(513) 772-1960

Airport and missile range operations, vocational training, technical services including communications, logistics, field engineering, calibration; flight inspection.

Avco Everett Research Laboratory, Inc.
2385 Revere Beach Parkway
Everett, Massachusetts 02149
(617) 389-3000

Contract research, magnetohydrodynamics (MHD) power techniques, power energy lasers, biomedical engineering, coal gasification, atomic physics research.

Avco Systems Division
201 Lowell Street
Wilmington, Massachusetts 01887
(617) 657-5111

Operational re-entry vehicles, penetration aids, arming and freezing systems, electronic countermeasures equipment, computer services.

Avco Specialty Materials Division
Two Industrial Avenue
Lowell, Massachusetts 01851
(617) 452-8961

Boron, graphite and silicon carbide reinforced composites, fire protection materials.

The Paul Revere Companies
18 Chestnut Street
Worcester, Massachusetts 01608
(617) 799-4441

Health and accident insurance; life insurance; variable annuities, mutual fund management, pension plans.

Avco Financial Services, Inc.
620 Newport Center Drive
Newport Beach, California 92660
(714) 544-5800

Consumer loans, retail installment contracts, second mortgages, credit life insurance, casualty insurance, leasing.

Avco Financial Insurance Group
620 Newport Center Drive
Newport Beach, California 92660
(714) 644-8260

Credit life, disability and customized casualty insurance.

Avco Community Developers, Inc.
16770 West Bernardo Drive
San Diego, California 92127
(714) 277-2132

Master-planned residential communities in Southern California.

Transfer Agent(s):

J. Henry Schroder Bank & Trust Company
One State Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific

Number of Employees:

1981	26,055	1978	25,073
1980	26,809	1977	24,010
1979	27,102		

Sales and Earnings †

	Net Revenues +	Net Income ‡
1981	$ 2,325,643,000	$ 70,012,000
1980	2,102,797,000	114,882,000
1979	1,901,558,000	133,912,000
1978	1,708,292,000	129,132,000
1977	1,488,686,000	125,507,000

	No. of Com. Shares #	Earn. per Share ‡ #
1981	19,990,000	$ 3.14
1980	16,091,000	6.34
1979	13,874,000	8.68
1978	12,229,000	9.50
1977	11,687,000	9.68

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning compensated absences.

+ Of continuing operations only.

‡ Including extraordinary gains of $1,558,000 ($0.10 per share) in 1980, $4,328,000 ($0.31 per share) in 1979, $4,900,000 ($0.40 per share) in 1978 and $16,886,000 ($1.44 per share) in 1977.

Based on average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Finance and Insurance:		
Consumer finance	$ 647,051,000	$ 634,153,000
Credit life, dis. & casualty insur.	200,781,000	203,211,000
Life insur. annuities	269,666,000	177,357,000
Accident & health insur.	178,298,000	169,971,000
Products and Services:		
Transportation struc. & engines	553,337,000	446,375,000
Management services	110,150,000	103,127,000
Land development	72,629,000	93,022,000
Other	293,731,000	275,581,000
Total	$2,325,643,000	$2,102,797,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 957,625,000	$ 45.58
1980	865,467,000	51.23
1979	749,938,000	47.65
1978	606,788,000	47.22
1977	485,549,000	41.99

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Nov. 30	1981	1980 ‡
Net sales	$ 1,025,533	$ 914,624
Other income	1,300,110	1,188,173
Revenues	$ 2,325,643	$ 2,102,797
Cost of sales	815,972	691,033
Expenses	548,649	526,156
Interest expense	377,528	324,913
Prov. for finance receiv.	82,983	70,400
Credit insur. losses & adj. expenses	86,424	84,561
Insur. benefits	145,939	131,858
Incr. in policy & deposit liab.	172,939	92,076
Income before taxes	$ 95,199	$ 181,000
Income taxes	23,899	65,928
Inc.—cont. oper.	$ 71,300	$ 115,872
Loss—discont. oper.	(1,288)	(2,548)
Net Income	$ 70,012	$ 113,324
Extraordinary gain	—	1,558
Net Income & Extraordinary Gain	$ 70,012	$ 114,882

* Included in Costs and Expenses, Depreciation: $32,110,000 in 1981 and $27,464,000 in 1980.

Assets

As of Nov. 30	1981	1980 ‡
Cash	$ 54,884	$ 47,577
Investments	1,430,679	1,280,265
Accts. receiv., net	2,980,885	3,167,462
Other receivables	251,775	230,297
*Inventories	699,019	523,596
#Fixed assets	234,222	198,196
Unamort. policy acq. costs	216,610	196,616
Other assets	58,483	62,823
Intangibles	136,291	136,694
Total Assets	$ 6,062,848	$ 5,843,526
Liabilities		
Notes payable	$ 3,322,991	$ 3,312,474
Savings deposits	39,518	42,372
Accts. payable	187,340	176,422
Accruals	197,111	203,888
Insurance reserves and claims	1,168,881	1,000,143
Income taxes	121,674	109,542
+Preferred stock	10,156	10,524
+ +Preferred stock	—	11,823
+ + +Common stock	63,027	50,682
Add. paid-in capital	136,630	137,084
Retained earnings	861,509	822,587
Loss on equity securities	(11,961)	(4,222)
Eq. adjust. from for. curr. trans.	(34,028)	(29,793)
Total Liabilities & Shareholders' Equity	$ 6,062,848	$ 5,843,526

‡ Restated to reflect change in accounting method.

* At lower of cost (FIFO) or estimated realizable value.

Less accumulated depreciation.

+ No par value; $3.20 cumulative convertible; $6 stated value.

+ + No par value; $4.20 cumulative convertible; $7.50 stated value.

+ + + $3 par value.

Statistical Summary

%Net Income to Equity	6.83	11.35
Shareholders' Equity	$1,025,333,000	$998,685,000

Avnet, Inc.

767 Fifth Avenue
New York, New York 10153
(212) 644-1050

Officers: Anthony R. Hamilton, chairman of the board & chief executive officer; Leon Machiz, president; Sylvester Herlihy, Joseph Brown, sr. v.p.'s; Harris E. Fisher, sr. v.p. & secretary; Alvin A. Odintz, David Shaw, Leon Tell, Irwin Lubalin, Edward Stimer, Leo Brown, Jordan Berman, v.p.'s; Walter Hyjek, v.p., controller; William Rose, v.p. & general counsel; John H. Regazzi, treasurer; Louis Berger, Florence Light, Marion Winston, asst. secretaries.

Directors: Anthony R. Hamilton, chairman of the board; Harris E. Fisher, Albert A. List*, Louis Berger, Joseph Brown, Leon Machiz*, Sylvester D. Herlihy, George Weissman*, Harry Resnick, Alvin E. Friedman*, Jordan Berman, John W. Kenney.

*Member of Executive Committee.

Operating Groups:

Electronic Marketing Group
Culver City, California
Hauppauge, New York
Minneapolis, Minnesota
Salem, Massachusetts

Industrial distributor and assembler of components for the electronic industry and communications, automotive, military and research and development markets. Products lines include semiconductors, transistors, diodes, integrated and hybrid circuits, micro processors, PROM's , capacitors, resistors, relays, digital displays, potentiometers and other devices. Also custom processing and testing of semiconductor chips, manufacturing of hybrid microelctronic circuits and thin film resistor networks, as well as distributing, servicing and leasing computer terminals to end users.

Hamilton/Avnet Electronics
Time Electronics/Electro Air
Lormann Associates, Inc.
Sertech Inc.

Avnet, Inc.

Electrical and Engineering Group

Brownell Electro/Ward
New York, New York
Denver, Colorado
Electric motors and replacement parts.

Fisher Switches
Santa Clara, California
Switches, relays and timers.

Freeman Products
Trophy parts.

Automotive Group

American Precision Co.
Chicago, Illinois
Manufactures clutch plates used in trucks and heavy earthmovers, and special clutchplates for some automobiles.

Mechanics Choice
Philadelphia, Pennsylvania
Distributor of electro-automotive parts and shop supplies to car dealers, service stations and industrial accounts, and fleet owners.

Valley Forge Products
Inwood, New York
Manufactures and distributes automotive ignition parts and components for engine electrical systems.

Valley Forge Canada
Toronto, Ontario Canada
Produces and distributes electro-automotive parts in the Canadian aftermarket.

Kamin Diecasting
Zinc and aluminum die castings.

Video Communications Group

Channel Master
Ellenville, New York
White Mills, Pennsylvania

St. Thomas, Canada
TV antenna manufacturer, supplier of replacement color television tubes and antennas.

Guild Musical Instruments
Westerly, Rhode Island
Elizabeth, New Jersey
Manufactures and distributes guitars and accessories.

Meisel Music Co.
Union, New Jersey
Imports and distributes string instruments and accessories.

Irving W. Rice & Co., Inc.
New York, New York
Markets a line of imported toiletry containers, night lights and illuminated mirrors.

Avnet International (Taiwan)
Kalhsiung, Taiwan
OEN receivers, cassette decks, and 8-track mechanisms.

Channel Master Satellite Systems, Inc.
Oxford, North Carolina
Microwave components for CATV, MATV and satellite television.

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: AVT

Number of Employees:

1981 . . . . . . 8,000 1980 12,000

Plant Footage:

1981 . . . . . . 2,337,000 sq. ft. 1980 4,862,000

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,316,224	$ 68,005
1980	1,266,804	71,702
1979	1,028,133	54,452
1978	806,649	39,577
1977	719,647	40,183

	No. of Com. Shares ‡‡	Earn. per Share ‡‡
1981	17,419,000	$ 3.90
1980	17,249,000	4.16
1979	17,121,000	3.18
1978	16,985,000	2.33
1977	15,544,000	2.55

‡‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business
(000's)

	1981	1980
Electronic marketing group	$ 727,742	$ 699,458
Consumer products group	128,911	133,673
Wire & Cable group *	258,732	247,331
Automotive group	68,396	67,906
Electrical & engineering group	132,443	118,436
Total	$ 1,316,224	$ 1,266,804

* Solid Carol Cable Group as of Oct. 5, 1981, which represents $248,000 in revenues in 1981.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.91	10%	—
1980	0.77	—	—
1979	0.68	—	—
1978	0.64	—	—
1977	0.57	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 427,481,000	$ 24.51
1980	371,143,000	24.52
1979	307,295,000	17.95
1978	263,203,000	15.50
1977	233,432,000	15.02

‡ After allowing for preferred stock at total liquidation preference value.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1981	1980
Net sales	$1,316,224,000	$1,266,804,401
Other income	4,221,000	3,775,435
Total income	$1,320,445,000	$1,270,579,836
Cost of sales	945,371,000	908,656,837
Expenses	228,546,000	210,242,249
Interest expense	13,999,000	14,543,878
Income before taxes	$ 132,529,000	$ 137,136,872
Income taxes	64,524,000	65,434,749
Net Income	$ 68,005,000	$ 71,702,123

* Included in Costs and Expenses, Depreciation and Amortization: $8,256,984 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 6,890,000	$ 14,887,136
Receiv., net	234,828,000	221,475,826
*Inventories	312,663,000	297,545,945
Other curr. assets	8,794,000	7,725,370
Current Assets	$ 563,175,000	$ 541,634,277
#Fixed assets	57,306,000	54,849,120
Intangibles & other assets	19,283,000	22,556,800
Total Assets	$ 639,764,000	$ 619,040,197

Liabilities

Long-term debt, curr.	$ 3,068,000	$ 3,042,321
Accts. payable	76,341,000	67,268,877
Accruals	47,545,000	52,050,661
Income taxes	11,113,000	18,933,795
Commercial paper	15,727,000	47,086,364
Dividend payable	3,872,000	3,847,409
Curr. Liabilities	$ 157,666,000	$ 192,229,427
Long-term debt	54,617,000	55,667,991
Shareholders' Equity	427,481,000	371,142,779
Total Liabilities & Shareholders' Equity	$ 639,764,000	$ 619,040,197

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.07	10.83
%Net Income to Sales	5.17	5.66
%Net Income to Equity	15.91	19.32
Sales to Inventories	4.21	4.26
Working Capital	$405,509,000	$349,404,850
Current Ratio	3.57	2.82
Shareholders' Equity	$427,480,000	$371,142,779

AVX Corporation

60 Cutter Mill Road
Great Neck, New York 11021
(516) 829-8500

Officers: Marshall D. Butler, president & chairman of the board; Donald K. Thostenson, exec. v.p., Bernard Zisman, v.p.-finance & secretary; Benedict P. Rosen, group v.p.; John Makhijani, v.p.-marketing; Robert H. Boughrum, v.p.-sales; Elliott Philofsky, v.p.-technology; James P. Dixon, Anthony M. Labita, v.p.'s; John S. Johnson, controller; Joseph R. Sicree, treasurer.

Directors: Marshall D. Butler, chairman; Herbert E. Grier, Ted H. McCourtney, D.K. Patton, Clare Rawson, W. Myron Owen, A. Robert Towbin, Seymour Leslie, Donald K. Thostenson.

Divisions:

Ceramics Division
Olean, N.Y.; Myrtle Beach, S.C.; San Diego, Calif.
Aldrershot, England; San Salvador, El Salvador; Fujiyosida, Japan; Colerane, Northern Ireland.
Engaged in the production of ceramic multilayer capacitors to the electronic industry.

Materials Division
San Diego, California
Produces thick-film conductors, dielectrics and sealing glasses.

Transfer Agent(s):

National Bank of North America
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AVX

Number of Employees:

1981 . . . . . . 4,630 1979 4,393
1980 4,191

Plant Footage:

1981 . . . . . . 526,000 sq. ft. 1978 422,000
1980 . . . . . . 487,000 1977 311,000
1979 393,000

Sales and Earnings

	Net Sales +	Net Income
1981	$ 122,667,000	$ (2,833,000)
1980	119,113,000	8,016,000
1979	80,487,000	7,517,000
1978	58,858,000	4,482,000
1977	41,050,000	2,774,000

	No. of Com. Shares ×	Earn. per Share ×
1981	4,715,475	$ —
1980	4,559,764	1.76
1979	3,756,277	2.00
1978	3,206,094	1.40
1977	2,834,406	0.98

(Loss)
+ Of continuing operations only.
× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.32	—	—
1980	0.32	—	—
1979	0.25	—	2-for-1
1978	0.16	—	5-for-4
1977	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 63,945,000	$ 13.52
1980	67,601,000	14.47
1979	38,869,000	10.55
1978	32,120,000	8.85
1977	15,400,000	5.60

† Adjusted to reflect stock splits.

Income Account

Year ended Dec. 31	1981	1980
Net sales	$ 122,667,000	$ 119,113,000
Cost of sales	106,452,000	84,771,000
Expenses	22,128,000	18,838,000
Interest income	(3,516,000)	(1,546,000)
Interest expense	7,822,000	4,870,000
Other	(492,000)	(35,000)
Inc. (loss) bef. taxes	$ (9,727,000)	$ 12,215,000
Inc. taxes (credit)	(6,820,000)	5,117,000
Inc. (loss) - cont. oper.	$ (2,907,000)	$ 7,098,000
Inc. - discont. oper.	74,000	918,000
Net Income (Loss)	$ (2,833,000)	$ 8,016,000

Assets

As of Dec. 31	1981	1980
Cash	$ 14,790,000	$ 23,065,000
Accts. & notes receiv., net	26,704,000	29,672,000
Inc. taxes receiv.	9,120,000	—
*Inventories	39,334,000	53,127,000
Prepaid inc. taxes	1,136,000	1,719,000
Other assets	255,000	455,000
Current Assets	$ 91,339,000	$ 108,038,000
#Fixed assets	56,616,000	46,041,000
Investments	—	2,716,000
Other assets	1,747,000	3,976,000
Total Assets	$ 149,702,000	$ 160,771,000

Liabilities

	1981	1980
Notes payable	$ 905,000	$ 3,000,000
Long-term debt, curr.	8,000,000	—
Accts. payable	5,466,000	5,450,000
Accruals	7,515,000	10,501,000
Income taxes payable	—	3,395,000
Dividends payable	378,000	374,000
Curr. Liabilities	$ 22,264,000	$ 22,720,000
Long-term debt	57,586,000	65,603,000
Deferred inc. taxes	5,431,000	4,252,000
Other liabilities	476,000	595,000
+Common stock	4,729,000	4,673,000
Add. paid-in capital	38,903,000	38,271,000
Retained earnings	20,313,000	24,657,000
Total Liabilities & Shareholders' Equity	$ 149,702,000	$ 160,771,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	11.86
Sales to Inventories	3.12	2.24
Working Capital	$69,075,000	$85,318,000
Current Ratio	4.10	4.76
Shareholders' Equity	$63,945,000	$67,601,000

Aydin Corporation

401 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 643-7500

Officers: Ayhan Hakimoglu, president; David N. Dry, exec. v.p. & asst. secretary; Palle Christensen, Vasant Sawant, Robert M. Moyes, Charles M. Boyles, Harold Gruen, Kenneth A. Nelson, Augustus P. Schneidau, I. Gary Bard, Andrew Pungratz, vice presidents; Jay L. Landis, treasurer; Jerry Misterman, controller & asst. treasurer; Robert A. Clancy, secretary; Geraldine A. Hennessey, asst. secretary.

Directors: Ayhan Hakimoglu, chairman; Frederick G. Allen, David N. Dry, Richard W. Gerrity, Nev A. Gokcen.

Areas of Work: Designs, manufactures and sells sophisticated microwave and data communications products. Products include microwave line-of-sight radios, troposcatter communication terminals, satellite earth station equipment, digital color and graphic display terminals; ground-based and vehicle-mounted data communication equipment, modems and multiplexers, communications systems and fusion electronics.

Divisions and Subsidiaries:

Aydin Controls Division
414 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 542-7800
Color graphic displays.

Aydin Microwave Division
75 East Trimble Road
San Jose, California 95131
(408) 946-5600
Microwave equipment.

Aydin Energy Division
3180 Hanover Street
Palo Alto, California 94303
(415) 493-3900
Fusion and high power electronics.

Aydin Controls U.K.
1, Hunting Gate, Wilbury Way
Hitchin, Hertfordshire SG4 OTJ
England
Display terminals.

Aydin Monitor Systems Division
502 Office Center Drive
Fort Washington, Pennsylvania 19034
(215) 646-8100
Ground based data communications.

Aydin Systems Division
640 Clyde Street
Mountain View, California 94043
(415) 968-7680
Communication systems.

Aydin Vector Division
P.O. Box 328
Friends Lane
Newtown, Pennsylvania 18940
(215) 968-4271
Airborne date communications.

Aydin Raytor Division
Commerce Drive
Montgomeryville Industrial Center
Montgomeryville, Pennsylvania 18936
(215) 855-1121

Aydin Molded Devices Division
2170 Colorado Avenue
Santa Monica, California 90404
(213) 829-5327

Aydin Electro Fab
960 River Road
Croydon, Pennsylvania 19020
(215) 788-0401

AYDIN International U.K.
136 Bromham Road
Bedford, Bedfordshire MK40 2QW
England
Data communications equipment.

AYDIN Computer Systems Division
401 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 643-0600

Transfer Agent(s):

Girard Bank
One Girard Plaza
Philadelphia, Pennsylvania 19101

Stock Exchange(s): New York

Ticker Symbol: AYD

Number of Employees:

1981	1,600	1978	1,100
1980	1,600	1977	1,150
1979	1,350		

Plant Footage:

1981	550,000 sq. ft.	1978	350,000
1980	350,000	1977	350,000
1979	350,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 100,424,000	$ 6,321,000
1980	102,908,000	7,319,000
1979	64,167,000	4,062,000
1978	47,443,000	2,676,000
1977	51,436,000	3,457,000

	No. of Com. Shares	Earn. per. Share +
1981	3,456,498	$ 1.81
1980	3,440,256	2.11
1979	2,264,876	1.19
1978	2,198,451	0.80
1977	1,952,618	1.10

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Support components	$ 9,200	9%	$ 9,300	9%
Telecommunications	60,200	60	58,100	56
Display terminals	21,900	22	20,300	20
Fusion elec.	9,100	9	15,200	15
Total	$100,400	100%	$102,900	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 34,483,000	$ 9.98
1980	27,768,000	8.07
1979	20,059,000	5.90
1978	15,553,000	4.71
1977	11,084,000	3.79

+ Adjusted to reflect stock split.

Income Account *

Year Ended Dec. 31	1981	1980
Net sales	$ 100,424,000	$ 102,908,000
Cost of sales	70,611,000	75,753,000
Expenses	20,570,000	15,653,000
Interest income	(1,165,000)	(1,048,000)
Income before taxes	$ 10,408,000	$ 12,550,000
Income taxes	4,087,000	5,231,000
Net Income	$ 6,321,000	$ 7,319,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,672,000 in 1981 and $1,201,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 9,559,000	$ 8,664,000
Receiv., net	22,298,000	15,125,000
Unbilled rev.	12,501,000	18,109,000
*Inventories	13,743,000	11,146,000
Prepaid expenses	274,000	190,000
Current Assets	$ 58,375,000	$ 53,234,000
#Fixed assets	12,538,000	10,062,000
Other assets	576,000	643,000
Total Assets	$ 71,489,000	$ 63,939,000

Liabilities

Long-term debt, curr.	$ 107,000	$ 106,000
Accts. payable	7,099,000	7,088,000
Accruals	7,312,000	10,117
Contract billings in recog. rev.	2,728,000	3,325,000
Income taxes	6,754,000	4,734,000
Curr. Liabilities	$ 24,000,000	$ 25,370,000
Long-term debt	3,693,000	3,592,000
Deferred credits	9,313,000	7,209,000
+Common stock	3,468,000	3,452,000
Add. paid-in capital	5,985,000	5,607,000
Retained earnings	25,074,000	18,753,000
Treasury stock	(44,000)	(44,000)
Total Liabilities & Shareholders' Equity	$ 71,489,000	$ 63,939,000

* At lower of cost (FIFO, average or specific job cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.36	12.20
%Net Income to Sales	6.29	7.11
%Net Income to Equity	18.33	26.36
Sales to Inventories	7.31	9.23
Working Capital	$34,375,000	$27,864,000
Current Ratio	2.43	2.10
Shareholders' Equity	$34,483,000	$27,768,000

Badger Meter, Inc.

4545 W. Brown Deer Road
P.O. Box 23099
Milwaukee, Wisconsin 53223
(414) 355-0400

Officers: James O. Wright, chairman of the board; R. Robert Howard, v.p.-finance, treasurer & secretary; C. Edward Elkins, v.p. & asst. secretary; James L. Forbes, president; William C. Howland, v.p.-int'l.; William J. Shinners, controller & asst. treasurer; W.H. Vander Heyden, v.p. & asst. secretary; William F. Dallmann, asst. secretary.

Directors: James O. Wright, Robert M. Hoffer, James L. Forbes, Warren B. Riley, Everett G. Smith, Edwin P. Wiley, Donald H. Windfelder, James O. Wright, Jr.

Areas of Work: Engaged in the production and sale of water meters for homes, industry and business establishments; large flow meters used in wastewater disposal systems, irrigation projects and water purification plants as well as meters and valves for the chemical food processing and power industries. Electronics products consist of remote test equipment for telephone utilities, control systems for microwave networks and instruments for meter systems.

Divisions and Subsidiaries:

Electronics Division
Richmond, California

Precision Products Division
Tulsa, Oklahoma

Industrial Products Division
Milwaukee, Wisconson

Flow Products Division
Milwaukee, Wisconsin

Badger Meter de Mexico, S.A. de C.V.
Nogales, Sonora, Mexico

Badger Meter Europe, GmbH
Stuttgart, Germany

Medidores Azteca, S.A.
Mexico City, Mexico

Transfer Agent(s):

M&I Marshall & Ilsley Bank
Milwaukee, Wisconsin

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: BMI

Number of Employees:

1981	1,185	1978	1,328
1980	1,312	1977	1,297
1979	1,218		

Plant Footage:

1981	361,000 sq. ft.	1978	353,000
1980	361,000 sq. ft.	1977	195,000
1979	361,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 64,040,000	$ 1,137,000
1980	58,069,000	1,012,000
1979	58,629,000	2,934,000
1978	57,313,548	3,256,304
1977	54,065,647	2,931,960

	No. of Com. Shares	Earn. per Share ‡
1981	1,423,444	$ 0.80
1980	1,413,444	0.72
1979	1,410,944	2.08
1978	1,410,944	2.31
1977	1,410,735	2.08

‡ Including extraordinary credit of $320,000 ($0.23 per share) in 1978.

Revenues By Line of Business

	1981	1980
Liquid meters accessories valves	$ 55,784,000	$ 48,880,000
Electronic devices	8,256,000	9,189,000
Total	$ 64,040,000	$ 58,069,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.60	—	—
1980	0.80	—	—
1979	0.75	—	—
1978	0.65	—	—
1977	0.55	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 22,055,952	$ 15.49
1980	21,943,026	15.52
1979	22,034,171	15.62
1978	20,158,217	14.29
1977	17,816,679	12.63

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 64,039,502	$ 58,068,906
Cost of sales	44,217,707	39,911,319
Expenses	15,926,793	14,912,546
Interest expense	2,273,636	1,535,893
Other charges	57,010	94,874
Income before taxes	$ 1,564,356	$ 1,614,274
Income taxes	427,000	602,000
Net Income	$ 1,137,356	$ 1,012,274

* Included in Costs and Expenses, Depreciation: $2,048,046 in 1981 and $1,871,331 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,625,207	$ 1,567,138
Receiv. net	8,517,444	9,332,893
*Inventories	17,752,625	18,761,340
Prepaid expenses	735,340	569,270
Current Assets	$ 28,630,616	$ 30,230,641
#Fixed assets	14,656,759	13,257,157
Unexpended cap. escrow funds	421,453	913,721
Defer. charges & other assets	551,689	493,698
Intangibles	375,031	413,675
Total Assets	$ 44,635,548	$ 45,308,892

Liabilities

Notes payable	$ 256,084	$ 5,827,760
Long-term debt, curr.	1,907,245	1,608,332
Accts. payable	2,196,542	2,713,491
Accrued pension	1,077,589	1,233,673
Accrued payroll	2,251,331	2,054,674
Income taxes	255,090	83,471
Other taxes	288,884	270,784
Curr. Liabilities	$ 8,232,765	$ 13,792,185
Long-term debt	13,119,831	8,493,681
Deferred inc. taxes	1,227,000	1,080,000
+Common stock	1,423,444	1,413,444
Add. paid-in capital	1,601,584	1,530,334
Retained earnings	19,284,538	18,999,248
Foreign Currency translation adjustments	(253,614)	—
Total Liabilities & Shareholders' Equity	$ 44,635,548	$ 45,308,892

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.44	2.78
%Net Income to Sales	1.78	1.74
%Net Income to Equity	5.16	4.61
Sales to Inventories	3.61	3.10
Working Capital	$20,397,851	$16,438,456
Current Ratio	3.48	2.19
Shareholders' Equity	$22,055,952	$21,943,026

Baird Corporation

125 Middlesex Turnpike
Bedford, Massachusetts 01730
(617) 276-6000

Officers: Walter S. Baird, chairman of the board; John M. Dempsey, Jr., president and chief executive officer; Jack M. Medzorian, vice president and treasurer; I. D'Arcy Brent II, vice president spectrochemical products; George J. Lilley, v.p.-operations; Arthur S. Turner, v.p.-nuclear products; Donald R. Walker, v.p.-govt. systems; David A. Low, vice president-industrial relations & asst. clerk; Charles C. French, director-international operations; David F. Walsh, director-communications; Francis P. Tarantino, controller; Robert A. Trevisani, clerk; L. Rudolph Askew, general manager-laboratory products; Frank L. Dellazoppa, director-quality assurance; John A. FitzMaurice, v.p.-corp. development; Thomas Maggiacomo, director-data processing.

Directors: Walter S. Baird, chairman, Timothy X. Cronin, John M. Dempsey, Jr., William M. Mullahy, Jack M. Medzorian, Thomas J. Troup, Richard S. Vokey.

Areas of Work: Manufactures instruments for spectrochemical analysis, nuclear equipment for medical diagnostics and laboratory use, periscopes, and night vision devices, and conducts research and development projects for the U.S. Government.

Divisions:

Government Systems Division
Nuclear Division
Spectrochemical Equipment Division

All at:
125 Middlesex Turnpike
Bedford, Massachusetts 01730
(617) 276-6000

Baird Europe B.V.
Veenkade 26-27
The Hague, The Netherlands

Baird-Atomic, Ltd.
East Street
Braintree, Essex, England

Baird Deutschland
Freudenberg, West Germany

Labtest Equipment Company, Inc.
Los Angeles, California

Labtest Equipment (Europa) GmbH
Ratingen, West Germany

Miller-Holzwarth, Inc.
110 W. State Street
Salem, Ohio 44460
(216) 337-8736

Baird Corporation do Brazil
Industria e Commercio, Ltda.
Sao Paulo, Brazil

R.A. Stephen and Company, Ltd.
Mitcham, England

Acquisition(s):

R.A. Stephen and Company, Ltd.
Mitcham, England
Manufactures radiation detection devices.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BATM (NASDAQ)

Number of Employees:

1981	718	1978	634
1980	711	1977	555
1979	658		

Sales and Earnings

	Net Sales	Net Income
1981	$ 45,234,000	$ 1,203,000
1980	37,314,000	1,400,000
1979	33,206,000	1,115,000
1978	30,839,000	915,000
1977	24,086,000	574,000

	No. of Com. Shares +	Earn. per Share #
1981	2,047,000	$ 0.62
1980	1,382,000	0.98
1979	1,341,000	0.79
1978	1,276,000	0.66
1977	1,239,000	0.42

+ Adjusted to reflect stock dividends.
# Based on weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	3%	—
1980	—	3%	—
1979	—	3%	—
1978	—	3%	—
1977	—	3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 19,446,000	$ 9.50
1980	10,591,000	7.67
1979	9,196,000	6.86
1978	7,884,000	6.18
1977	6,944,000	5.60

‡ Adjusted to reflect stock dividends.

Income Account

Year ended Sept. 30	1981	1980
Net Sales	$ 45,233,971	$ 37,313,747
Cost of Sales	28,000,852	23,715,883
Expenses	14,451,558	10,293,475
Depreciation	589,960	505,000
Interest expense	224,557	789,594
Income before taxes	$ 1,967,044	$ 2,009,795
Income taxes	764,000	610,000
Net Income	$ 1,203,044	$ 1,399,795

Assets

As of Sept. 30	1981	1980
Cash	$ 1,830,226	$ 548,569
Receiv., net	12,396,832	10,733,046
Unbilled costs	599,125	448,681
*Inventories	11,102,676	10,568,188
Prepaid expenses	420,124	421,401
Current Assets	$ 26,348,983	$ 22,719,885
# Fixed assets	5,371,294	4,683,504
Other assets	212,796	186,435
Intangibles	758,187	768,904
Total Assets	$ 32,691,260	$ 28,358,728

Liabilities

Loans payable	$ 1,021,894	$ 1,424,092
Long-term debt	825,878	655,469
Accts. payable	2,163,444	3,262,172
Adv. pay.	—	709,906
Accruals	2,977,928	2,797,480
Income taxes	1,403,013	2,636,869
Curr. Liabilities	$ 8,392,157	$ 11,485,988
Deferred income	89,683	127,841
Long-term debt	2,812,207	4,260,961
Deferred inc. taxes	451,556	393,356
Long term debt	1,500,000	1,500,000
+ Common stock	2,047,442	1,381,544
Add. paid-in capital	13,299,525	5,491,476
Receiv. from officers	(166,600)	(166,337)
Retained earnings	4,265,290	3,883,899
Total Liabilities & Shareholders' Equity	$ 32,691,260	$ 28,358,728

*At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.35	5.39
%Net Income to Sales	2.66	3.75
%Net Income to Equity	6.19	13.22
Sales to Inventories	4.07	3.53
Working Capital	$17,956,826	$11,233,897
Current Ratio	3.14	1.98
Shareholders' Equity	$19,445,657	$10,590,582

Ball Corporation

345 South High Street
Muncie, Indiana 47302
(317) 747-6100

Officers: John W. Fisher, chairman of the board; Richard M. Ringoen, president & chief executive officer; Robert H. Mohlman, sr. v.p. & chief financial officer; Donovan B. Hicks, group v.p.-technical products; John H. Snyder, group v.p.-industrial products; Duane E. Emerson, v.p.-administration; Frank A. Bracken, group v.p.-glass containers; Delmont A. Davis, group v.p.-metal containers; R. Donald Bell, v.p. & controller; John J. Pruis, v.p.-corp. relations; William L. Peterson, sr. v.p.-corp. planning & development; Leon M. Grandcolas, v.p. & treasurer; Frank A. Aschenbrenner, v.p.-research, development & engineering; George A. Sissel, corp. secretary & general counsel; Roland P. Campbell, Elizabeth A. Overmyer, asst. secretaries.

Directors: John W. Fisher*, Betty M. McFadden, Robert H. Mohlman*, Alvin M. Owsley, Jr., Richard M. Ringoen*, Robert M. Spire, Delbert C. Stanley, Reed D. Voran*, Richard M. Gillett*, Henry C. Goodrich, A. Malcolm McVie, Arthur G. Hansen.

* Member of Executive Committee.

Areas of Work: The Corporation is a manufacturer in the glass, metal, plastics, electronics, aerospace, and petroleum industries, and supplies products, systems and services to the electronics, energy, food, beverage, automotive, appliance, construction, communications, and data processing industries, and to governmental agencies and universities. It also supplies food preservation products to the consumer market.

Divisions and Subsidiaries:

Technical Products Group
Boulder, Colorado

Engaged in the development and production of monitors for computer-linked data displays; computer products, including memory core planes and arrays, tape drive monitoring systems; infrared technology instrumentation; aerospace sub-systems and components; television camera systems and CRT data display monitors; military antennas, controllers, optical mark readers and optical character readers for the original equipment market.

Manufacturing Division
Boulder, Colorado

Aerospace Division
Boulder, Colorado

Ball Computer Products, Inc.
Boulder, Colorado

Western Aerospace Labs
Huntington Beach, California

Packaging Products Group
Muncie, Indiana

Operations are divided between commercial glass sales, concentration on food containers, and consumer products, where the principal products are home canning jars and fittings, and home canning and freezing publications. Ball Packaging Products, Inc. develops and sells glass production equipment and licenses processes to other companies.

Consumer Products Division
Commercial Division
Manufacturing Division

Metal Container Group
Westminster, Colorado

Produces drawn-and-iron, two-piece, aluminum and steel cans.

Industrial Products Group
Muncie, Indiana

Ball Metal & Chemical Division
Greenville, Tennessee

Makes rolled zinc and lead products, including dry-cell battery cans, strip andialized equipment for photo-engraving process.

Ball Metal Decorating & Service Division
Chicago, Illinois

Provides metal lithography, metal coatings and specialized light-gauge metal servicing and warehousing functions, including sheeting, slitting and blanking.

Ball Unimark Plastics Division
Milroy, Pennsylvania

Precision injection molding products for the medical and electronics industries.

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Citibank, N.A.
111 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Midwest

Ticker Symbol: BLL

Number of Employees:

1981	10,000	1978	8,470
1980	11,000	1977	8,000
1979	8,600		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 815,182	$ 29,246
1980	698,794	24,402
1979	555,040	23,654
1978	514,908	18,648
1977	451,879	16,208

	No. of Com. Shares #	Earn. per Share #
1981	5,306,835	$ 5.51
1980	5,118,143	4.77
1979	4,976,710	4.75
1978	4,860,352	3.84
1977	4,800,691	3.38

#Based on average number of shares outstanding.

Revenues by Line of Business

	1981 (000's)	%	1980 (000's)	%
Packaging products	$596,848	73%	$506,464	73%
Industrial products	97,324	12	79,773	11
Technical products	121,010	15	112,557	16
Total	$815,182	100%	$698,794	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.70	—	—
1980	1.50	—	—
1979	1.30	—	—
1978	1.10	—	—
1977	0.90	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 203,577,000	$ 37.76
1980	179,165,000	34.32
1979	158,667,000	31.46
1978	138,917,000	28.28
1977	124,062,000	25.75

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 815,182	$ 698,794
Cost of sales	680,383	579,633
Expenses	72,707	64,978
Interest expense	13,890	14,793
Income before taxes	$ 48,202	$ 39,390
Income taxes	18,956	14,988
Net Income	$ 29,242	$ 24,402

*Included in Costs and Expenses, Depreciation: $23,771,000 in 1981 and $20,808,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 6,416	$ 6,600
Accts. receiv., net	69,885	73,194
*Inventories	139,586	125,815
Prepaid expenses	3,790	3,174
Current Assets	$ 219,677	$ 208,783
#Fixed assets	241,193	209,547
Other asset	20,790	13,195
Total Assets	$ 481,660	$ 431,525

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 4,593	$ 3,281
Accts. payable	56,415	46,178
Accrued payroll	28,542	22,848
Income taxes	5.12	1,020
Other liabilities	14,136	13,853
Curr. Liabilities	$ 104,198	$ 87,180
Long-term debt	132,663	130,417
Long-term lease oblig.	7,898	11,643
Deferred comp.	8,520	5,912
Deferred inc. taxes	24,804	17,208
+Common stock	31,295	27,076
Retained earnings	172,282	152,089
Total Liabilities & Shareholders' Equity	$ 481,660	$ 431,525

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.91	5.64
%Net Income to Sales	3.59	3.49
%Net Income to Equity	14.36	13.62
Sales to Inventories	5.84	5.55
Working Capital	$115,479,000	$121,603,000
Current Ratio	2.11	2.39
Shareholders' Equity	$203,577,000	$179,165,000

Bally Manufacturing Corporation

2640 West Belmont Avenue
Chicago, Illinois 60618
(312) 267-6060

Officers: Robert E. Mullane, chairman of the board, president & chief executive officer; John A. Britz, exec. v.p.-technology & chief operating officer; Irving Rom, executive v.p.-finance; James F. Rochford, v.p. - corporate affairs & governmental relations; James J. Barrett, v.p. & corporate director of manufacturing; Jerry A. Blumenshine, v.p., asst. to the president & corporate controller; Martin A. Keane, v.p. & corporate director of technology; William T. O'Donnell, Jr., v.p. & president - Bally's Aladdin's Castle, Inc., and operations division; Glen K. Seidenfeld, Jr., v.p. corporate secretary & general counsel.

Directors: Robert E. Mullane, chairman; Irving Rom, John A. Britz, James M. Rochford, George N. Aronoff, S.J. Begun, Alfred C. Linkletter, George B. Moran, Walter Wechsler.

Areas of Work: Designs, manufactures, and distributes electronic video games, flipper type pinball games, slot machines, German wall machines, in-line pinball machines and replacement parts; using micro-processor technology. The company also operates a hotel and casino in Atlantic City, New Jersey through its 83% owned subsidiary, Bally's Park Place, Inc. and six theme parks. Also owns and operates 351 family amusement centers.

Subsidiaries:

Bally Advance Inc.
San Francisco, California

Bally Aladdins's Castle, Inc.
Chicago, Illinois

Bally Distributing Co.
Las Vegas and Reno, Nevada

Bally's Park Place, Inc.
Atlantic City, New Jersey

Bally Diemasters, Inc.
Elmhurst, Illinois

GLAC, Inc.
Chicago, Illinois

Bally Northeast Distributing, Inc.
Norwood, Massachusetts

Bally L.S. Company
Cicero, Ilinois

Bally Midway Mfg. Co.
Franklin Park, Illinois

Bally Australia Pty., Ltd.
Sydney, Australia

Bally Automater A/S
Copenhagen, Denmark

Bally Continental, Ltd.
Antwerp, Belgium

Bally France, S.A.
Paris, France

Bally Japan Corporation
Tokyo, Japan

Bally Wulff-Automaten
Berlin, Germany

Bally Wulff-Vertriebs GmbH
Hannover, West Germany

Bally's Tom Foolery, Inc.
Northfield, Illinois

Bally Midwest, Inc.
Chicago, Illinois

Scientific Games Development Corporation
Atlanta, Georgia

Six Flags Corporation
Los Angeles, California

Acquisition(s):

Six Flags Corporation
Los Angeles, California
Operates six theme parks.

Scientific Games Development Corporation
Atlanta, Georgia
The leading supplier of instant and weekly lottery games in the world.

Transfer Agent(s):

American National Bank & Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: BLY

Number of Employees:

1981	9,950	1980	9,750

Plant Footage:

1981	1,262,000 sq.ft.	1980	1,488,000

Sales and Earnings ‡

	Revenues	Net Income
1981	$ 884,903,000	$ 81,676,000
1980	693,210,000	52,759,000
1979	388,232,000	46,371,000
1978	316,608,000	32,095,000
1977	250,872,000	19,791,000

	No. of Com. Shares †	Earn. per Share †
1981	27,267,032	$ 3.03
1980	27,292,614	1.97
1979	27,139,347	1.72
1978	25,233,972	1.28
1977	24,266,540	0.82

‡ Restated to include operations of companies acquired on a pooling of interests basis.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Mfg. & distributing:		
Prods. manufactured by the Co.:		
Amusement games	$ 356,245	$ 226,481
Gaming machines	59,936	83,971
In-line type pinball	307	7,112
Replacement parts	10,177	10,220
Prod. manufactured by others	133,723	82,570
Other	20,500	18,979
Hotel & casino operations	220,543	210,121
Equip. oper. & amuse. centers	82,130	52,899
Corporate	1,342	857
Total	$ 884,903	$ 693,210

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.10	—	—
1979	0.088	—	—
1978	0.05	—	—
1977	0.025	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 394,208,000	$ 14.46
1980	312,566,000	11.45
1979	260,106,000	9.58
1978	139,657,000	5.53
1977	102,019,000	4.20

‡ Restated.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981 ‡	1980
Net Sales	$ 569,028	$ 419,209
Hotel & casino	215,289	210,121
Amuse. centers	82,130	52,899
Other income	18,456	10,981
Total income	$ 884,903	$ 693,210
Cost of sales	401,057	298,498
Hotel & casino	146,636	138,072
Amuse. centers	50,399	32,775
Expenses	90,265	75,948
Prov. for doubtful accts.	12,739	13,138
Interest expense	27,802	32,075
Income before taxes	$ 156,005	$ 102,704
Income taxes	74,200	49,250
Minority interest	129	695
Net Income	$ 81,676	$ 52,759

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $45,481,000 in 1981 and $35,949,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cert. of deposit	$ 31,171	$ 25,354
Receiv. net	127,444	112,650
*Inventories	100,695	97,364
Other curr. assets	11,722	5,279
Current Assets	$ 271,032	$ 240,647
#Fixed assets	375,929	363,611
Other assets	41,537	40,979
Intangibles	16,762	17,698
Total Assets	$ 705,260	$ 662,935

Liabilities
(000's)

	1981	1980
Notes payable	$ —	$ 2,325
Long-term debt, curr.	2,426	4,964
Accts. payable	32,085	32,791
Accruals	39,767	37,404
Income taxes	36,872	41,753
Curr. Liabilities	$ 111,150	$ 119,237
Long-term debt	157,631	190,283
Minority interest	15,544	15,415
Deferred inc. taxes	26,727	25,434
+ Common stock	17,221	17,114
Add. paid-in capital	92,644	90,219
Retained earnings	284,343	205,233
Total Liabilities & Shareholders' Equity	$ 705,260	$ 662,935

‡ Restated.
* At lower of cost (LIFO for the Company; FIFO for subsidiaries) or market.
# Less accumulated depreciation.
+ 0.66⅔ par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales & Revenues	17.63	14.82
%Net Income to Sales & Revenues	9.23	7.61
%Net Income to Equity	20.72	16.88
Working Capital	$159,882,000	$121,410,000
Current Ratio	2.44	2.02
Shareholders' Equity	$394,208,000	$312,566,000

Barnes Engineering Company

30 Commerce Road
Stamford, Connecticut 06904
(203) 348-5381

Officers: Christopher H. Smith, president, chief executive officer & chief financial officer; Weems E. Estelle, executive v.p.-corp. operations; Arthur Rossiter, v.p. & group executive-Industrial Distribution Group; Richard C. Empert, v.p. & group executive-Instruments Group; Alexander J. Autote, Robert B. Barnes, Jr., Bernard Klibaner, James E. Moore, vice presidents & group executives-Systems Group; Wilfred D. LeBlanc, Jr., treasurer & controller; Ralph L. Palumbo, asst. controller; Peter D. Lowenstein, secretary; Donald L. Conway, Elizabeth I. Simeone, asst. secretaries.

Directors: Christopher H. Smith*, Robert B. Barnes, Jr., Harry M. Day*, Joseph H. Johnson*, Alexander J. Autote, Millard H. Pryor, Jr., Richard E. Hart*, Benjamin Lax, Arthur Rossiter*, Richard C. Empert, Weems E. Estelle, Edmund H. Damon.

*Member of Executive Committee.

Areas of Work: The company's operations are divided into three operating groups—Systems, Instruments, and Industrial Distribution.

The Systems Group designs and manufactures electro-optical systems for spacecraft; radiometric instruments and systems for research and development; electro-optical alignment systems; high technology security systems and also conducts contracted research and development. Products include horizon sensors for satellite control, infrared intrusion detectors, integrated computer security systems and precision alignment systems. The Instruments Group is engaged in the design and production of infrared-based thermal and radiometric instruments, electronic components and portable X-Ray systems. Products include thermal measurement and inspection instruments, precision non-contact industrial thermometers, infrared micro-imagers and microscopes; combustion analysis and process control instrumentation.

The Industrial Distribution Group provides engineering services as well as a variety of precision industrial products through 21 warehouses and service center locations.

Divisions and Subsidiaries:

Systems Group

Government Systems Division
30 Commerce Road
Stamford, Connecticut 06904
(203) 348-5381

Security Division

VT Technologies, Inc.
30 Commerce Road
Stamford, Connecticut 06904
(203) 327-4343

Barnes Security Products, Inc.
30 Commerce Road
Stamford, Connecticut 06904
(203) 348-5381

Nuclear Security Forces, Inc.
30 Commerce Road
Stamford, Connecticut 06904
(203) 324-6370

ICI Systems Ltd.
43B Inverness Drive East
Englewood, Colorado 80112
(303) 779-8528

Commercial Instruments Division
30 Commerce Road
Stamford, Connecticut 06904
(203) 348-5381

Rojon Electronics, Inc.
253 North Grand Avenue
Poughkeepsie, New York 12603
(914) 454-5341

Rojon Electronics of California
500 Division Street
Campbell, California 95008
(408) 379-3660

General X-Ray Corporation
30 Commerce Road
Stamford, Connecticut 06904
(203) 357-7881

Industrial Distribution Group

Advance Bearing & Supply Company, Inc.
2 Pullman Street
Worcester, Massachusetts 01606
(617) 852-1050

CGL Supply Company, Inc.
812 Buffalo Road
Erie, Pennsylvania 16512
(814) 454-4528

Philadelphia Ball and Roller Bearing Co.
400 N. Sixth Street
Philadelphia, Pennsylvania 19123
(215) 574-0900

J.A. Webb Incorporated
92 Pearl Street
Buffalo, New York 14202
(716) 852-6062

Transfer Agent(s):

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: BIR

Number of Employees:

1981	1,102	1978	374
1980	715	1977	270
1979	403		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 57,206,000	$ 259,000
1980	44,062,000	1,259,000
1979	26,842,000	840,000
1978	16,144,000	408,000
1977	12,162,000	154,000

	No. of Com. Shares	Earn. per Share ‡ #
1981	1,609,000	$ 0.16
1980	1,344,000	0.94
1979	992,800	0.84
1978	837,600	0.49
1977	757,800	0.20

‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Including extraordinary gains of $280,000 ($0.21 per share) in 1980, $359,000 ($0.36 per share) in 1979, $145,000 ($0.17 per share) in 1978, and $83,000 ($0.11 per share) in 1977.

Revenues By Line of Business

	1981	1980
Systems Group:		
Gov't. syst.	$ 6,466,000	$ 6,313,000
Security syst.	9,763,000	4,666,000
Instrument Group	11,694,000	7,873,000
Indust. Distr. Group	29,283,000	25,210,000
Total	$ 57,206,000	$ 44,062,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$ 9,650,000	$ 6.00
1980	7,232,000	5.38
1979	5,105,000	5.14

‡ Based on average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 57,206,000	$ 44,062,000
Cost of sales	38,052,000	29,954,000
Expenses	16,907,000	11,207,000
Interest expense	1,796,000	1,141,000
Income before taxes	$ 451,000	$ 1,760,000
Income taxes	192,000	781,000
Net Income	$ 259,000	$ 979,000
Extraordinary gain	—	280,000
Net Income and extraord. gain	$ 259,000	$ 1,259,000

*Included in Costs and Expenses, Depreciation and Amortization: $716,000 in 1981 and $491,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 549,000	$ 440,000
Receiv., net	11,493,000	9,955,000
*Inventories	13,541,000	12,126,000
Other curr. assets	803,000	361,000
Current Assets	$ 26,391,000	$ 22,882,000
# Fixed assets	4,186,000	2,648,000
Other assets	1,014,000	1,037,000
Total Assets	$ 31,591,000	$ 26,567,000

Liabilities

	1981	1980
Notes payable	$ 3,629,000	$ 1,138,000
Accts. payable	5,988,000	5,670,000
Other current liabilities	2,753,000	2,332,000
Curr. Liabilities	$ 12,370,000	$ 9,140,000
Long-term debt	6,831,000	7,213,000
Deferred income	864,000	1,152,000
Cap. lease oblig.	468,000	621,000
Def. inc. taxes & other liab.	1,408,000	1,209,000
+ Common stock	1,726,000	1,350,000
Add. paid-in capital	7,774,000	5,537,000
Retained earnings	1,014,000	1,497,000
Prepaid contribution to ESOT	(864,000)	(1,152,000)
Total Liabilities & Shareholders' Equity	$ 31,591,000	$ 26,567,000

*At lower of cost (FIFO) or realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.79	3.99
%Net Income to Sales	0.45	2.22
%Net Income to Equity	2.68	13.54
Sales to Inventories	4.22	3.63
Working Capital	$14,021,000	$ 13,742,000
Current Ratio	2.13	2.50
Shareholders' Equity	$ 9,650,000	$ 7,232,000

Barry Wright Corporation

One Newton Executive Park
Newton Lower Falls, Massachusetts 02162
(617) 965-5800

Officers: Ervin Pietz, chairman of the board, Ralph Z. Sorenson, president & chief executive officer; Edward A. Johnson, vice chairman, sr. v.p. & secretary; P. Norman Roy, exec. v.p.; E. William Housh, v.p. & president-Wright Line, Inc.; John F. Quinn, v.p. & president-Industrial and Aero Products Group; Milton E. Gilbert, v.p.-corporate counsel & asst. secretary; Galen R. LaRose, treasurer & asst. secretary; Gordon T. Miller, v.p. & director of industrial relations; Charles H. Sellman, v.p. & controller; David M. Wright, corp. v.p. & v.p.-Wright Line, Inc.; William H. Gorham, clerk.

Directors: Ervin Pietz, chairman; George P. Gardner, Jr., Ralph Z. Sorenson*, G. Richard Westin, Edward A. Johnson*, Jerome Ottmar, Philip A. Singleton, Donald J. Evans*, P. Norman Roy*.

*Member of Executive Committee.

Divisions and Subsidiaries:

Industrial & Aero Products Group

Barry Controls Division
Watertown & Woburn, Massachusetts
Burbank, California

Design, manufacture and marketing of engineered products to control the effects of dynamic forces and motions, including vibration, impact shock and noise.

Vlier Engineering Division
Burbank, California

Design, manufacture and marketing of products for holding, positioning and locating parts during manufacture and for reducing "in plant" noise and vibration.

Zero-Max Division
Minneapolis, Minnesota
Parametrics Division
Madison, Connecticut
Orange, Connecticut

Designs, manufactures, and markets specialty power transmission products, primarily mechanical variable speed drives and accessories.

Barry Controls GmbH (49% owned)
Raunheim, Germany

Sales and marketing distribution in Western Europe.

Miki Zero-Max Ltd.
Kawasaki-City, Japan

Sales and marketing distribution in Japan.

Wright Line Inc.

Wright Line Division
Worcester, Massachusetts
High Point, North Carolina

Design, manufacture and marketing of accessory products that serve end users of information processing systems, especially electronic data processing systems, and users of computer printout, systems documentation and microforms.

VISIrecord Systems Division
Worcester, Massachusetts
South Norwalk, Connecticut

Design, manufacture and marketing of systems, equipment and related supplies for visual control and quick reference or retrieval of non-automated business records serving medical, manufacturing, service and distribution businesses and public and private institutions.

Wright Line of Canada Ltd.
Toronto, Canada

Wright Line GmbH
Frankfurt, Germany

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): New York

Ticker Symbol: BAR

Sales and Earnings

	Net Sales	Net Income
1981	$ 144,903,000	$ 12,768,000
1980	124,489,000	10,007,000
1979	98,854,000	7,684,000
1978	79,529,000	5,574,000
1977	64,706,000	3,682,000

	No. of Com. Shares #	Earn. per Share #
1981	8,253,000	$ 1.55
1980	7,588,292	1.32
1979	7,533,270	1.02
1978	7,538,234	0.74
1977	7,440,000	0.49

# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.38	—	—
1980	0.29	—	2-for-1
1979	0.24	—	—
1978	0.18	—	2-for-1
1977	0.13	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 43,185,000	$ 8.12
1980	43,184,632	5.68
1979	35,047,256	4.64
1978	29,382,868	3.89
1977	24,702,307	3.33

† Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1931	1980
Net sales	$ 144,903.000	$ 124,489,303
Other income	3,416 000	809,393
Total income	$ 148,319,000	$ 125,298,696
Cost of sales	78,943,000	67,331,421
Expenses	47,372,000	39,073,079
Interest expense	317,000	325,151
Income before taxes	$ 21,687,000	$ 18,569,045
Income taxes	8,919,000	8,562,000
Net Income	$ 12,768,000	$ 10,007,045

* Included in Costs and Expenses; Depreciation and Amortization: $2,940,000 in 1981 and $1,991,155 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & short-term invest.	$ 10,045,000	$ 1,796,601
Accts. receiv., net	26,168,000	20,167,599
*Inventories	19,255,000	18,314,033
Prepaid expense	866,000	657,024
Current Assets	$ 56,334,000	$ 40,935,257
#Fixed assets	31,435,000	23,373,681
Other assets	4,499,000	2,795,000
Total Assets	$ 92,268,000	$ 67,104,338

Liabilities

Notes payable	$ 178,000	$ 117,153
Long-term debt, curr.	218,000	195,522
Accts. payable	6,481,000	6,697,186
Accruals	10,043,000	6,723,486
Income taxes	1,247,000	2,139,069
Curr. Liabilities	$ 18,167,000	$ 15,872,416
Long-term debt	2,688,000	6,482,477
Deferred compensation	1,132,000	1,169,813
Deferred inc. taxes	1,237,000	395,000
+Common stock	8,331,000	7,980,864
Add. paid-in capital	16,255,000	844,450
Retained earnings	44,600,000	35,059,424
Treasury stock	(612,000)	(700,106)
Total Liabilities & Shareholders' Equity	$ 92,268,000	$ 67,104,338

* At lower of cost or market. Domestic inventories at LIFO foreign at FIFO or average. Certain inventories of the Industrial and Aero Prods. Group stated at FIFO or average.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.97	14.92
%Net Income to Sales	8.81	8.04
%Net Income to Equity	18.49	23.17
Sales to Inventories	7.53	6.80
Working Capital	$38,167,000	$25,062,841
Current Ratio	3.10	2.58
Shareholders' Equity	$69,044,000	$43,184,632

Base Ten Systems, Inc.

One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Officers: Myles M. Kranzler, president; William M. Errickson, corp. v.p. & secretary; James A. Eby, v.p.-engineering; Edward J. Klinsport, treasurer.

Directors: Myles M. Kranzler, chairman; James A. Eby, William M. Errickson, Robert G. Kales, Jr., Mildred Kranzler.

Areas of Work: Designs and manufactures electronic data systems used in the testing, research and development of new aircraft, missiles and satellites. Other applications include avionic controls and micro processor systems, alarm reporting systems.

Divisions:

Rem Machine Division
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-2820

Subsidiaries:

Base Ten Export Sales, Inc.
One Electronics Drive
Trenton, New Jersey 08619

Base Ten Systems
Electronics GmbH
Berg-am-laim Str. 47
8000 Munich # 80, Federal Republic of Germany

Base Ten Systems, Ltd.
12 Eelmoor Road
Farnborough
Hampshire GU147QN
United Kingdom

Base Ten International, Inc.
103 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810

Base Ten of Canada, Ltd.
301 Weston Street
Winnipeg, Manitoba R3E 3H4
Canada

Transfer Agent(s):

Morgan Guaranty Trust Co.
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	375	1978	200
1980	300	1977	174
1979	250		

Plant Footage:

1981	35,000 sq. ft.	1978	25,000
1980	35,000	1977	20,000
1979	25,000		

Sales and Earnings ‡

	Net Sales	Net Income +
1981	$ 15,117,000	$ 1,665,000
1980	11,202,000	1,003,000
1979	8,089,000	483,000
1978*	4,621,700	302,000
1977	3,943,316	223,000

	No. of Com. Shares #	Earn. per Share# +
1981	1,428,543	$ 1.17
1980	1,091,868	0.92
1979	1,091,868	0.44
1978	1,090,119	0.28
1977	1,098,854	0.20

‡ Restated to reflect change in accounting method to comply with FASB statement no. 43 concerning compensated absences.
* 10 months.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.
+ Including extraordinary gain of $22,000 ($0.02 per share) in 1977.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.10	10%	—
1980	0.05	10%	3-for-1
1979	0.05	—	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share +
1981	$ 8,206,000	$ 5.74
1980	2,844,000	2.60
1979	1,891,000	1.73
1978	1,453,000	1.33

‡ Restated to reflect change in accounting method.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Oct. 31	1981	1980 ‡
Sales	$ 14,369,000	$ 11,150,000
Interest income	748,000	52,000
Revenues	$ 15,117,000	$ 11,202,000
Cost of sales	8,638,000	7,109,000
Expenses	3,148,000	2,490,000
Interest	204,000	117,000
For. curr. trans. adjust.	208,000	(53,000)
Income before taxes	$ 2,919,000	$ 1,539,000
Income taxes	1,254,000	536,000
Net Income	$ 1,665,000	$ 1,003,000

* Included in Costs and Expenses, Depreciation and Amortization: $376,000 in 1981 and $265,000 in 1980.
‡ Restated to reflect change in accounting method.

Assets

As of Oct. 31	1981	1980 ‡
Cash	$ 6,024,000	$ 1,136,000
Accts. receiv., net	4,139,000	3,968,000
*Inventories	1,414,000	1,571,000
Other curr. assets	138,000	59,000
Current Assets	$ 11,715,000	$ 6,734,000
# Fixed assets	3,015,000	2,595,000
Other assets	26,000	32,000
Total Assets	$ 14,756,000	$ 9,361,000

Liabilities

Notes payable	$ 238,000	$ 177,000
Long-term debt, curr.	110,000	233,000
Accts. payable & accruals	1,697,000	1,863,000
Cust. advances	1,346,000	1,710,000
Income taxes	1,526,000	642,000
Curr. Liabilities	$ 4,917,000	$ 4,625,000
Deferred inc. taxes	249,000	107,000
Long-term debt	1,384,000	1,785,000
+ Common stock	1,397,000	993,000
Add. paid-in capital	4,335,000	318,000
Retained earnings	3,129,000	1,533,000
Restr. stock award comp.	(457,000)	—
For. curr. trans. adjust.	(198,000)	—
Total Liabilities & Shareholders' Equity	$ 14,756,000	$ 9,361,000

‡ Restated to reflect change in accounting method.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.31	13.80
%Net Income to Sales	11.59	9.00
%Net Income to Equity	20.29	35.27
Sales to Inventories	10.16	7.10
Working Capital	$6,798,000	$2,109,000
Current Ratio	2.38	1.46
Shareholders' Equity	$8,206,000	$2,844,000

Bastian Industries

2405 South 20th Street
Phoenix, Arizona 85034

Officers: Bernard M. Goldsmith, chairman; Daniel J. Sullivan, president & chief executive officer; Rocco R. Del Presto, group executive v.p.; James L. Knopf, sr. v.p.-marketing, asst. to president; Samuel Ofrichter, sr. v.p.-finance, secretary & treasurer; Benson A. Selzer, sr. v.: Robert W. Ostrow, v.p.-corporate development & administration.

Directors: Bernard M. Goldsmith*, chairman; Daniel J. Sullivan, Andrew N. Heine, Edwin C. Nevis, Samuel Ofrichter, Benson A. Selzer.*

*Member of the Executive Committee.

Areas of Work: Manufactures ultra-high reliability inductors, capacitors and resistors for use in the computer and defense industries. Produces modems and accoustic couplers, sheet metal and aluminum products for computers and business machines, and high-precision metal components for the computer and aerospace industries. Other areas include: hydraulic hoses, stainless steel equipment for restaurant use and restaurant decor systems.

Divisions and Subsidiaries:

Nytronics Components Group, Inc.
Orange Street
Darling, South Carolina 29532
(803) 393-5421

Suckle Corporation
Suckle and National Highways
Pennsaukxen, New Jersey 08110
(609) 665-9100

733 Davis Street
Scranton, Pennsylvania 18501
(717) 346-3871

T.M.I.
2335 Alaska Avenue
El Segundo, California 90245
(213) 772-6363

Bastian Blessing
Grand Haven, Michigan

NRP Hose Products Division
Midway Supply Division
Davmor Product Systems, Inc.

Acquisition(s):

Foodservice Equipment Division of McGraw-Edison
Manufactures electric cooking, refrigeration, conveying, sanitation and service

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10004

Nytronics, Inc.
2335 Alaska Avenue
El Segundo, California 90245

Stock Exchange(s): Pacific, Over-the-Counter

Ticker Symbol: BSI (Pacific), BSIN (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1980	$151,545,000	$ 3,961,000
1979	114,871,000	5,467,000
1978	89,894,000	4,250,000
1977	74,499,000	1,879,000
1976	37,437,000	(989,000)

	No. of Com. Shares †	Earn. per Share † ‡
1980	2,208,718	$1.50
1979	2,074,529	2.19
1978	1,913,871	1.84
1977	1,764,137	0.84
1976	1,570,571	—

(Loss)
‡ Including extraordinary gains of $2,523,000 ($1.22 per share) in 1979, $2,239,000 ($1.17 per share) in 1978, $950,000 ($0.54 per share) in 1977 and extraordinary loss of $76,000 ($0.05 per share) in 1976.
† Based on the weighted average number of common shares and common share equivalents outstanding except in 1977 and 1976 where common share equivalents are excluded.

Revenues By Line of Business
(000's)

	1980	1979
Components group:		
Electronic components	$ 8,621	$ 7,634
Metal components	21,100	21,038
Communications components	2,142	1,679
Food serv. equip.	76,162	43,827
Energy prods. group:		
Oil fields supply	30,044	27,518
Industrial rubber hose	13,476	13,175
Total	$ 151,545	$ 114,871

Common Stock Equity

	Total Equity ‡	Equity Per Share†
1980	$ 16,345,000	$7.40
1979	11,915,000	5.74
1978	5,984,000	3.13

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended July 31	1980	1979
Net sales	$ 151,545	$ 114,871
Cost of sales	115,453	86,860
Expenses	22,822	17,539
Interest expense	5,122	3,709
Amortization	756	706
Income before taxes	$ 7,392	$ 6,057
Income taxes	3,431	3,113
Net Income	$ 3,961	$ 2,944
Extraord. gain	—	2,523
Net Income & extraord. gain	$ 3,961	$ 5,467

* Included in Costs and Expenses, Depreciation: $2,201,000 in 1980 and $1,823,000 in 1979.

Assets
(000's)

As of July 31	1980	1979
Cash	$ 3,039	$ 2,495
Accts. receiv., net	20,843	20,082
* Inventories	18,127	19,229
Other curr. assets	1,084	1,753
Current Assets	$ 43,093	$ 43,559
# Fixed assets	16,168	15,949
Other assets	4,376	4,741
Intangibles	15,525	15,970
Total Assets	$ 79,162	$ 80,219

Liabilities
(000's)

Notes payable	$ 4,917	$ 11,683
Long-term debt, curr.	791	1,249
Accts. payable	12,584	13,674
Accruals	7,181	6,943
Curr. Liabilities	$ 25,473	$ 33,549
Long-term debt	18,932	18,232
Convert. debentures	10,497	10,620
Reserves & other liab.	7,370	5,358
+ Preferred stock	545	545
+ + Common stock	22	18
Add. paid-in capital	16,323	54,953
Accumulated deficit	—	(42,990)
Receiv. in conn. with cap. contr.	—	(66)
Total Liabilities & Shareholders' Equity	$ 79,162	$ 80,219

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
+ + $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.88	5.27
%Net Income to Sales	2.61	2.56
%Net Income to Equity	23.45	23.63
Sales to Inventories	8.36	5.97
Working Capital	$ 17,620,000	$ 10,010,000
Current Ratio	1.69	1.30
Shareholders' Equity	$ 16,890,000	$ 12,460,000

Bausch & Lomb Incorporated

One Lincoln First Square
Rochester, New York 14601
(716) 338-6000

Officers: Daniel E. Gill, chairman of the board & president; James D. Edwards, sr. v.p.-Instruments Group; Mark B. Logan, sr. v.p.-Vision Care Group; Thomas C. McDermott, sr. v.p.-human resources; Stanley W. Merrell, sr. v.p.-administration; William J. Godfrey, v.p.-Personal Products Division; Harold O. Johnson, v.p.-Bushnell Division; James E. Kanaley, v.p.-Opthalmic Division; Anthony J. LaPaglia, v.p.-Instruments & Systems Division; George H. More, v.p.-Graphics & Controls Division; Harry B. Mulkey, v.p.-Consumer Products Division; Eugene D. Scalera, v.p.-Microscopy & Image Analysis Division; W. Terry Smith, v.p.-Soflens Professional Products Division; Achille Tedesco, v.p.-Spectroscopy Systems Division; Roger L. Boeve, v.p. &

controller; Lorin B. Ellison, v.p.-business systems; Diane C. Harris, v.p.-corporate development; Jay T. Holmes, v.p., general counsel & secretary; Jon M. Larson, v.p.-manufacturing services; Seymour L. Merrall, v.p.-administrative services; Harland L. Mischler, v.p.-finance; W. Henry Aughey, III, treasurer.

Directors: Arthur J. O'Brien, Mark B. Logan, W. Allen Wallis*, E. Kent Damon*, O. Cedric Rowntree*, Charles Rob, Alexander D. Hargrave*, Daniel E. Gill*, Moshe J. Lubin, John R. Purcell.

* Member of Executive Committee.

Areas of Work: In the opthalmic area, produces lenses, eye glass frames and Soflens contact lenses, diagnostic and refracting instruments and furniture for professionals, and safety products such as eye glasses and respirators, Consumer products include sun glasses, fashion eyewear, contact lenses, telescopes, binoculars, camera lenses, rifle sights, readers and magnifiers. Scientific instruments and components and optical products for industry and the educational, medical and research fields include microscopes and accessories metallographs, spectrochemical analytical systems, spectrophotometers, diffraction gratings, electronic recoders, digital plotting systems, high precision measuring systems, photogrammetric equipment, microprojectors and optical glass.

Divisions and Subsidiaries:

Instruments & Systems Division
820 Linden Avenue
Rochester, New York 14625
(716) 385-1000

Bausch & Lomb World Opthalmic Inc.
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Microscopy & Image Analysis Division
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Consumer Products Division
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Spectroscopy Systems Division
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Soflens Professional Products Division
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Bausch & Lomb Insurance Company
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Bausch & Lomb Opticare, Inc.
Rochester, New York

Bushnell Division
Bushnell Building
2828 E. Foothill Boulevard
Pasadena, California 91107
(213) 577-1500

Graphics & Controls Division
8500 Cameron Road
Austin, Texas 78753
(512) 837-2820

Bausch & Lomb Incorporated
Juncos, Puerto Rico

Bausch & Lomb Puerto Rico Inc.
San Juan, Puerto Rico

Bausch & Lomb Canada Ltd.
P.O. Box 4008, Terminal-A
Toronto, M5W 1J4, Canada
(416) 449-2252

Applied Research Laboratories Ltd.
Luton, England

Bausch & Lomb U.K. Ltd.
London, England

Bausch & Lomb France, S.A.
Versailles, France

Bausch & Lomb, S.A.
LeMesnil-Saint-Denis, France

Applied Research Laboratories G.m.b.H.
Vienna, Austria

Bausch & Lomb Belgium N.V.
Gistel, Belgium

Bausch & Lomb Hong Kong Ltd.
Hong Kong

Bausch & Lomb Italiana, S.p.A.
Rome, Italy

B.L.J. Company Limited
Tokyo, Japan

B.L. de Mexico S.A. de C.V.
Mexico City, Mexico

A.R.L. Netherlands B.V.
Amsterdam, Netherlands

Bausch & Lomb International, Inc.
Madrid, Spain

Bausch & Lomb A.G.
Zurich, Switzerland

Bausch & Lomb B.V.
Amsterdam, Netherlands

Bausch & Lomb Norway A/S
Oslo, Norway

Bausch & Lomb G.m.b.H.
Hamburg, Germany

Bausch & Lomb Philippines Inc.
Manila, Philippines

Bausch & Lomb A.B.
Stockholm, Sweden

Bausch & Lomb-Frame Division
Eutingen, West Germany

Bausch & Lomb Ireland Limited
Waterford, Ireland

AR Instruments Cientificos do Basil Limitada
Sao Paulo, Brazil

Bausch & Lomb Argentina S.A.
Buenos Aires, Argentina

Applied Research Laboratories S.A.
Lausanne, Switzerland

Applied Research Laboratories G.m.b.H.
Dusseldorf, Germany

Applied Research Laboratories Nodiska A.B.
Stockholm, Sweden

Bausch & Lomb (Australia) Pty. Limited
Sydney, Australia

Precision Instruments Company Ltd.
Hong Kong

Bausch & Lomb (Singapore) Pte. Ltd.
Singapore

ARLabs Pty. Ltd.
Johannesburg, Republic of South Africa

Standard Optical Co. Pty. Ltd.
Johannesburg, Republic of South Africa

OY Bausch & Lomb Finland A.B.
Helsinki, Finland

Applied Research Laboratories G.m.b.H.
Vienna, Austria

Transfer Agent(s):

Morgan Guaranty Trust Company
23 Wall Street
New York, New York 10015

Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): New York

Ticker Symbol: BOL

Number of Employees:

1981	10,200	1978	10,900
1980	11,800	1977	10,800
1979	11,400		

Sales and Earnings

	Net Sales	Net Income
1981	$ 533,300,000	$ 9,929,000
1980	481,800,000	52,333,000
1979	400,200,000	41,228,000
1978*	338,600,000	29,848,000
1977	275,900,000	25,031,000

	No. of Com. Shares #	Earn. per Share #
1981	12,024,000	$ 0.82
1980	11,995,601	4.36
1979	11,797,360	3.49
1978	11,675,450	2.54
1977	11,599,160	2.14

* 53 weeks.

# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Vision care	$ 346,994,000	$ 307,166,000
Instruments	186,306,000	174,636,000
Total	$ 533,300,000	$ 481,802,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.56	—	—
1980	1.21	—	—
1979	0.93	—	2-for-1
1978	0.74	—	—
1977	0.55	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 238,562,000	$ 20.04
1980	245,274,000	20.69
1979	203,975,000	17.37
1978	169,643,000	14.60
1977	147,811,000	12.79

‡ After allowing for preferred stock at par value.

† Adjusted to reflect stock split.

Income Account *

Year ended	12/27/81	12/28/80
Net sales	$ 533,300,000	$ 481,802,000
Cost of sales	239,246,000	207,583,000
Expenses	150,659,000	144,295,000
Res. & develop.	21,023,000	16,699,000
Depreciation	10,511,000	8,662,000
Interest expense	9,668,000	4,456,000
Gain on sale of invest.	6,366,000	(1,049,000)
Other	12,191,000	7,084,000
Earn. from cont. oper. bef. inc. taxes	$ 83,636,000	$ 94,072,000
Income taxes	36,350,000	41,481,000

Cont'd. operations	$ 47,286,000	$ 52,591,000
Loss from discont. oper.	(4,257,000)	(258,000)
Disposal of discont. oper.	(33,100,000)	—
Net Income	$ 9,929,000	$ 52,333,000

Assets

As of	12/27/81	12/28/80
Cash	$ 6,091,000	$ 5,501,000
Marketable securities	12,834,000	12,098,000
Receiv., net	119,494,000	125,155,000
*Inventories	141,553,000	167,477,000
Prepaid expenses	16,848,000	9,878,000
Net assets of discont. oper.	27,700,000	—
Future income tax benefits	10,609,000	—
Current Assets	$ 335,129,000	$ 320,109,000
#Fixed Assets	85,383,000	80,462,000
Other assets	10,561,000	12,821,000
Total Assets	$ 431,073,000	$ 413,392,000

Liabilities

Notes payable	$ 33,244,000	$ 49,065,000
Long-term debt, curr.	4,420,000	3,284,000
Accts. payable	37,163,000	26,482,000
Accruals	49,136,000	42,734,000
Dividends payable	4,656,000	3,808,000
Income taxes	1,638,000	3,001,000
Reserve for discont. operations	19,750,000	—
Curr. Liabilities	$ 150,007,000	$ 128,374,000
Long-term debt	36,337,000	34,035,000
Deferred inc. taxes	4,694,000	4,158,000
+Preferred stock	1,473,000	1,551,000
++Common stock	14,333,000	14,333,000
+++Class B stock	59,000	59,000
Add. paid-in capital	35,821,000	33,856,000
Retained earnings	188,349,000	197,026,000
Total Liabilities & Shareholders' Equity	$ 431,073,000	$ 413,392,000

* At lower of cost (domestic inventories at LIFO; all others at FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; 4% cumulative.
+ + $1 par value.
+ + + $0.20 par value.

Statistical Summary

%Income before Taxes to Sales	—	15.92
%Net Income to Sales	—	8.98
%Net Income to Equity	4.14	21.20
Sales to Inventories	3.77	3.48
Working Capital	$185,122,000	$191,735,000
Current Ratio	2.23	2.49
Shareholders' Equity	$240,035,000	$246,825,000

Beckman Instruments, Inc.

2500 Harbor Boulevard, Box 3100
Fullerton, California 92634
(714) 871-4848

Note: There has been a merger agreement under which Beckman Instruments has become a wholly-owned subsidiary of SmithKline Corporation of Philadelphia. Concurrently, SmithKline will change it's name to SmithKline Beckman Corporation.

Officers: Arnold O. Beckman, chairman of the board; William F. Ballhaus, president; G. Howard Teeter, executive v.p.; Louis T. Rosso, sr. v.p.-mgr., Analytical Instruments Group; Joseph Ashley, v.p.-director, Health Care Products; Robert J. Baumann, v.p.-new business development; Edward B. Bell, v.p.-Offsite Mfg. Facilities; Roy F. Brown, v.p.-mgr., Process Instruments & Controls Group; Leo C. Cunniff, v.p.-mgr., Cedar Grove Operations; Jack Hart, v.p.-employee relations; Gerald T. Keahl, v.p.-mgr., Scientific Instrument Division; Robert A. Lineberger, v.p.-finance; Frank A.Maze, v.p.-mgr., Spinco Division; Richard A. Nesbit, v.p.-research & development; William G. Newton, v.p.-mgr., facilities & manufacturing services; Harold J. Peper, v.p.-mgr., Analytical Instruments Sales & Service Division; James E. Shelton, Jr., v.p. & controller; Robert J. Steinmeyer, v.p.-legal; Donald A.Strauss, v.p.-admn.; Thomas E. Waller, v.p.-dir., Int'l Operations, Analytical Instruments Group; George E. Walters, v.p.-mgr., Electro-Products Group; Perry R. McCarty, secretary-treasurer.

Directors: Arnold O. Beckman, chairman of the board; William F. Ballhaus, E.H. Clark, Jr., William R. Gould, R.J. Munzer, H. Russell Smith, Lowell Stanley.

Areas of Work: Manufactures laboratory analytical instruments and related chemical products and industrial instruments, systems and precision components. Company's products are used in medicine and science and in industrial and environmental applications.

Divisions:

Electro-Products Group
Fullerton, California

Analytical Instruments Sales & Service Division
Fullerton, California

Asia/Pacific Analytical Sales Operations
Fullerton, California

Automotive Test Instruments Operations
Fullerton, California

Bioproducts Operations
Palo Alto, California

Cedar Grove Operations
Cedar Grove, New Jersey

Clinical Instruments Division
Brea, California

Display Systems Operations
Brea, California

Electro-Products Sales Operations
Fullerton, California

Process Instruments Division
Fullerton, California

Scientific Instruments Division
Irvine, California

Spinco Division
Palo Alto, California

Microbics Operations
Carlsbad, California

Process Control Operations
Fullerton, California

Subsidiaries:

Altex Scientific Inc.
Berkeley, California

Beckman Analytical Instruments (Italia) S.p.A.
Milan, Italy

Beckman Instruments (Caribe) Inc.
Naguabo, Puerto Rico

Beckman Instruments (Carolina) Inc.
San Juan, Puerto Rico

Beckman Instruments France S.A.
Gagny, France

Beckman Instruments G.m.b.H.
Munich, Germany

Beckman Instruments (Japan) Ltd.
Tokyo, Japan

Beckman Instruments (Nederland) B.V.
Mijdrecht, Netherlands

Beckman Instruments (Ireland), Inc.
Galway, Ireland

Beckman Instruments International, S.A.
Geneva, Switzerland

Beckman Componenti S.r.l.
Milan, Italy

Beckman Instruments, Ltd.
Glenrothes, Scotland

Beckman Instruments Analytiques S.A.
Morges, Switzerland

Beckman Instruments (Pty.) Ltd.
Capetown, South Africa

Beckman-RIIC Limited
High Wycombe

Beckman Instruments de Mexico, S.A. de C.V.
Mexico City, Mexico

Beckman Instruments, Austria G.m.b.H.
Vienna, Austria

Beckman Instruments (CSS) Inc.
Carolina, Puerto Rico

Beckman Instruments (Hong Kong) Ltd.
Hong Kong

Beckman Composants S.A.R.L.
Paris, France

Beckman Instruments Prozess-Gerate G.m.b.H.
Munich, Germany

Beckman Instruments (Holding) Ltd.
Glenrothes, Scotland

Beckman Instruments AB
Bromma, Sweden

Beckman Components GmbH
Munich, West Germany

Beckman Instruments (Argentina) S.A.
Buenos Aires, Argentina

Beckman Instruments (Australia) Pty. Ltd.
Melbourne, Australia

Beckman Instruments (Belgium) S.A.
Brussels, Belgium

Beckman Instruments do Brasil-Analises e Controle do Processamento Ltda.
Rio de Janeiro, Brazil

Beckman Instruments France
Noisy-Le-Grand, France

Beckman Instruments (Galway) Inc.
Galway, Irland

Beckman Instruments Singapore (PTE.) Ltd.

Beckman Process Italiana S.r.l.
Milan, Italy

Spectra Metrics
Andover, Massachusetts

Bicomp S.A. de C.V.
Mexicali, Mexico

Transfer Agent(s):

Security Pacific National Bank
Corporate Trust Division
333 South Hope Street
Los Angeles, California 90071

Stock Exchange(s): New York, Pacific

Ticker Symbol: BEC

Number of Employees:

1981	11,800	1978	9,800
1980	12,100	1977	8,600
1979	12,400		

Sales and Earnings

	Net Sales	Net Income
1981	$ 618,125,000	$ 36,755,000
1980	549,272,000	36,557,000
1979	426,709,000	29,328,000
1978	338,454,000	22,436,000
1977	285,771,000	16,374,000

	No. of Com. Shares ‡	Earn per Share ‡
1981	20,898,000	$ 1.76
1980	20,009,000	1.83
1979	17,687,000	1.66
1978	16,628,000	1.35
1977	16,352,000	1.00

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.35	—	—
1980	0.31	—	—
1979	0.265	—	2-for-1
1978	0.19	—	—
1977	0.15	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 310,132,000	$ 15.15
1980	274,305,000	13.56
1979	184,423,000	10.56
1978	152,112,000	9.25
1977	128,179,000	8.03

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 618,125	$ 549,272
Cost of sales	326,530	293,999
Expenses	164,472	143,917
Res. & develop. costs	50,193	39,785
Interest expense	20,375	13,214
Income before taxes	$ 56,555	$ 58,357
Income taxes	19,800	21,800
Net Income	$ 36,755	$ 36,557

* Included in Costs and Expenses, Depreciation and Amortization: $20,333,000 in 1981 and $14,209,000 in 1980.

Assets
(000's)

As of June 30	1981	1980
Cash	$ 7,750	$ 9,222
Cert. of deposit	47,601	30,795
Accts. receiv., net	145,728	137,002
Deferred inc. taxes	11,172	8,084
*Inventories	222,137	183,744
Prepaid expenses	13,129	11,069
Curr. Liabilities	$ 447,517	$ 379,916
Net investment	11,035	8,011
#Fixed assets	178,059	143,662
Investments and intangible assets	2,257	2,586
Total Assets	$ 638,868	$ 534,175

Liabilities
(000's)

Notes payable	$ 54,358	$ 54,541
Long-term debt, curr.	5,774	5,523
Accts. payable	34,322	32,757
Accruals	57,741	44,888
Income taxes	8,883	12,662
Curr. Liabilities	$ 161,078	$ 150,371
Long-term debt	145,591	94,351
Deferred inc. taxes	22,067	15,148
+Common stock	20,473	20,233
Add. paid-in capital	92,900	86,954
Retained earnings	196,759	167,118
Total Liabilities & Shareholders' Equity	$ 638,868	$ 534,175

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.15	10.62
%Net Income to Sales	5.95	6.66
%Net Income to Equity	11.85	13.33
Sales to Inventories	2.78	2.99
Working Capital	$286,439,000	$229,545,000
Current Ratio	2.78	2.53
Shareholders' Equity	$310,132,000	$274,305,000

Becton, Dickinson and Company

Mack Centre Drive
Paramus, New Jersey 07652
(201) 967-3700

Officers: Wesley J. Howe, chairman of the board & chief executive officer; Marvin A. Asnes, president & chief operating officer; Henry P. Becton, vice chairman; Alfred J. Battaglia, v.p. & controller; Marilyn V. Brown, v.p.-corp. communications; Robert G. Butler, secretary; Martin S. Dunn, v.p.-manufacturing services; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Irwin Klepper, v.p.-taxes; Edward D. Lundy, v.p.-organization planning & development; Walter M. Miller, v.p.-planning & development; Wilson Nolen, Bernard A. Shoor, vice presidents; Robert A. Reynolds, v.p. & treasurer; David J. Sencer, sr. v.p.-medical & scientific affairs; C. Edward Snyder, v.p.-human resources; Hubert D. Vos, sr. v.p.-finance & chief financial officer; Richard F. Carey, Amadeu Ferreira, John G. Gabel, Bruce B. Hickox, Franklin J. Iris, Photios T. Paulson, group vice presidents.

Directors: Wesley J. Howe*, chairman; Henry P. Becton*, vice chairman; Marvin A. Asnes*, Theodore J. Bauer, Charles C. Edwards, Robert W. Haack, Richard W. Hanselman, William S. Little*, C. Albert Rollenhagen*, Harry Roth*, Fred R. Sullivan; Raymond S. Troubh*, Hubert D. Vos.

*Member of Executive Committee.

Areas of Work: The Company manufactures a broad range of medical, diagnostic and industrial safety products for use by the medical profession, industry and the general public.

Divisions and Subsidiaries:

B-D Drake Willock
Lloyd 500 Building
500 N.E. Multnomah Street
Suite 1300
Portland Oregon 97232
(503) 231-5050

Manufactures automated hemodialysis equipment which utilizes microprocessor-based control technology.

Becton Dickinson FACS
4908 Lakeside Drive
Sunnyvale, California 94086
(408) 738-8558

Manufactures fluorescence activated cell sorter systems which include an analysis console with microprocessor and keyboard.

Becton Dickinson Immunodiagnostics
Mountain View Avenue
Orangeburg, New York 10962
(914) 359-2700

Manufactures automated radioimmunossay equipment which is used to detect the presence of extremely small quantities of minute substances.

Digitran
855 South Arroyo Parkway
Pasadena, California 91105
(213) 449-3110

Produces digital switches used in instrument panels.

Telemed Cardio-Pulmonary Systems
2345 Pembroke Avenue
Hoffman Estates, Illinois 60195
(312) 884-5900

Manufactures systems which provide automated ECG pulmonary function, including blood gas.

Endevco
Rancho Viejo Road
San Juan Capistrano, California 92675
(714) 493-8181

Produces electronic test equipment to measure and monitor shock, vibration, force, pressure, acceleration and acoustic emissions.

Energetics Science
6 Skyline Drive
Hawthorne, New York 10532
(914) 592-3010

Engaged in the manufacture of sensing devices based on electromechanical technology which detect and monitor hazardous gases.

Transfer Agent(s):

Morgan Guaranty Trust
30 West Broadway
New York, New York 10015

The National Community Bank of New Jersey
24 Park Avenue
Rutherford, New Jersey 07070

Stock Exchange(s): New York

Ticker Symbol: BDX

Number of Employees

1981	21,500	1978	19,100
1980	20,600	1977	17,700
1979	20,600		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,066,093	$ 75,863
1980	942,031	64,694
1979	809,808	61,879
1978	698,065	53,363
1977	607,669	47,940

	No. of Com. Shares ‡	Earn. per Share ‡
1981	21,378,000	$ 3.61
1980	21,037,000	3.14
1979	21,025,000	3.01
1978	21,052,000	2.60
1977	21,034,000	2.35

‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Medical	$ 633,011	$ 557,479
Laboratory	262,781	227,751
Industrial safety	170,301	156,801
Total	$ 1,066,093	$ 942,031

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.00	—	--
1980	0.92	—	—
1979	0.84	—	—
1978	0.72	—	—
1977	0.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity + Per Share
1981	$ 569,584	$ 28.03
1980	502,902	25.10
1979	454,460	22.76
1978	408,339	20.49
1977	367,956	18.49

+ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 1,066,093	$ 942,031
Cost of sales	596,625	530,881
Expenses	353,597	306,604
Interest expense	26,072	15,712
Interest income	(14,756)	(8,408)
Other income	(6,535)	(5,454)
Income before taxes	$ 111,090	$ 102,696
Income taxes	35,227	38,002
Net Income	$ 75,863	$ 64,694

* Included in Costs and Expenses, Depreciation and Amortization: $38,761,000 in 1981 and $32,596,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 8,084	$ 5,469
Investments	78,732	50,539
Receivables, net	195,577	186,162
* Inventories	226,837	222,348
Other curr. assets	17,553	15,805
Current Assets	$ 526,783	$ 480,323
# Fixed assets	404,735	294,566
Other assets	33,516	25,018
Intangibles	39,290	41,534
Total Assets	$ 1,004,324	$ 841,441

Liabilities
(000's)

	1981	1980
Notes payable	$ 52,152	$ 83,572
Long-term debt, curr.	2,861	2,709
Accts. payable & accruals	98,642	66,581
Accrued payroll	51,546	42,723
Income taxes	11,376	20,781
Curr. Liabilities	$ 216,577	$ 216,366
Long-term debt	184,539	98,079
Deferred inc. taxes	33,624	24,094
+ Common stock	20,493	20,210
Add. paid-in capital	105,866	95,002
Retained earnings	443,938	388,298
Treasury stock	(713)	(608)
Total Liabilities & Shareholders' Equity	$ 1,004,324	$ 841,441

*At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.42	10.90
%Net Income to Sales	7.12	6.87
%Net Income to Equity	13.32	12.86
Sales to Inventories	4.70	4.24
Working Capital	$310,206,000	$263,957,000
Current Ratio	2.43	2.22
Shareholders' Equity	$569,584,000	$502,902,000

Beehive International

4910 Amelia Earhart Drive
Box 25668
Salt Lake City, Utah 84125
(801) 355-6000

NOTE: Effective 4/1/81, the shares of Beehive International (International) were paired with the shares of Beehive International Ltd. (Beehive, Ltd.)

Officers (International): Eugene H. Frink, Jr., chairman of the board; Warren B. Clifford, president & chief executive officer; Robert D. DeForest, sr. v.p.-operations; Richard P. Beck, sr. v.p.-finance & treasurer; Scott H. Nelson, sr. v.p.-engineering; John C. McPhail, v.p.-manufacturing; William E. Lees, v.p. & controller; Randall L. Romrell, corporate secretary & general counsel.

Officers (Beehive, Ltd.) Eugene H. Frink, Jr., chairman of the board; Warren B. Clifford, president & chief executive officer; Richard P. Beck, sr. v.p.-finance & treasurer; Randall L. Romrell, corporate secretary & general counsel.

Directors (International): Eugene H. Frink, Jr., chairman; Warren B. Clifford, D. William Clifford, Douglas R. Cook, James S. Hooper, James P. Johnson, Donald G. McQuarrie, Allison F. Page, C. Grant Wilkins.

Directors (Beehive, Ltd.): Eugene H. Frink, Jr., chairman; Warren B. Clifford, Robert Annable, Louis Gragg, C. Grant Wilkins, Chester E. Shepperly.

Areas of Work (International): Engaged in the design, development, manufacture and service of customized "smart" video display computer terminals.

Areas of Work (Beehive, Ltd): Through its Irish subsidiary, Beehive Ireland, Ltd., manufactures and sells, under license from Beehive, certain of Beehive's video display computer terminals.

Subsidiary (International):

Beehive Europe, Inc. (DISC)
Gebouw 70, Kamer 134, 1117 AA Schipol
Amsterdam, The Netherlands

Subsidiaries (Beehive, Ltd.):

Video Data Systems, GmbH
Beethovenstrasse 26
6455 Erlensee
West Germany

Beehive Ireland, Limited
Rathealy Road
Fermoy, County Cork
Ireland

Transfer Agent(s):

Wells Fargo Bank, N.A.
San Francisco, California 94144

Stock Exchange(s): American

Ticker Symbol: BHI

	International	Beehive, Ltd.
1981	419	31
1980	379	—
1979	358	—
1978	374	—
1977	437	—

Plant Footage:

	International	Beehive, Ltd.
1981	142,303 sq. ft.	64,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income †
1981	$ 39,262,074	$ 4,121,789
1980	33,110,181	2,218,692
1979	24,293,163	1,277,315
1978	18,225,776	(2,732,903)
1977	20,392,306	653,277

	No. of Com. Shares#	Earn. per Share † #
1981	2,794,260	$ 1.48
1980	2,535,430	0.88
1979	2,518,880	0.51
1978	2,508,746	—
1977	2,119,282	0.31

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $313,473 ($0.12 per share) in 1980 and $455,000 ($0.18 per share) in 1979.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 17,976,947	$ 6.43
1980	7,415,645	2.92
1979	5,098,613	2.02
1978	3,774,338	1.50
1977	6,497,362	3.07

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 39,262,074	$ 33,110,181
Other income	631,434	—
Total income	$ 35,393,508	$ 33,110,181
Cost of sales	22,045,566	21,807,316
Expenses	10,318,094	7,424,931
Interest expense	584,059	1,164,528
Income before taxes	$ 6,945,789	$ 2,713,406
Income taxes	2,824,000	808,187
Net Income	$ 4,121,789	$ 1,905,219
Extraord. gain	—	313,473
Net Income & extraord. gain	$ 4,121,789	$ 2,218,692

* Included in Costs and Expenses, Depreciation and Amortization: $888,726 in 1981 and $777,480 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 1,075,400	$ 880,686
Short-term invest.	7,100,000	—
Accts. receiv., net	7,670,848	7,116,653
* Inventories	6,182,728	5,697,871
Prepaid expenses	442,092	96,441
Deferred income tax	168,000	50,599
Current Assets	$ 22,639,068	$ 13,842,250
# Fixed assets	5,657,930	3,575,154
Other assets	280,386	95,347
Service stock	558,849	539,786
Deferred income tax	—	63,279
Total Assets	$ 29,136,233	$ 18,115,816

Liabilities

Long-term debt, curr.	$ 2,019,011	$ 2,829,712
Accts. payable	1,586,158	1,224,997
Accruals	2,705,038	1,418,966
Income tax payable	1,848,435	440,484
Curr. Liabilities	$ 8,158,642	$ 5,914,159
Long-term debt	2,226,644	4,672,781
Deferred income tax	774,000	113,231
+ Common stock	123,236	25,569
Add. paid-in capital	11,203,539	4,452,145
Retained earnings	7,008,422	2,937,931
Total Liabilities & Shareholders' Equity	$ 29,136,233	$ 18,115,816

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.69	8.20
%Net Income to Sales	10.50	5.75
%Net Income to Equity	22.93	25.69
Sales to Inventories	6.35	5.81
Working Capital	$14,480,426	$7,928,091
Current Ratio	2.77	2.34
Shareholders' Equity	$17,976,947	$7,415,645

Bel Fuse Inc.

198 Van Vorst Street
Jersey City, New Jersey 07302
(201) 432-0463

Officers: Elliot Bernstein, president; Howard Bernstein, vice president; Robert Simandl, secretary.

Directors: Elliot Bernstein, Howard Bernstein, Robert Simandl, Sidney Faber, Seymour Offerman, Peter Loh.

Areas of Work: Manufactures electronic components for the home entertainment and data processing equipment markets. Products include chemical fuses, circuit breakers, special protective devices, spark gaps, delay lines, and special coil products.

Subsidiaries:

Bel Fuse Ltd.
1-C Middle Road
J. Hotung House
Kowloon, Hong Kong

Acessorios Electronicos
(Bel Fuse Macau) LDA
Fabrica G-1, Do Andar,
Do Predio Comos
Nos. 169-169A
Av. Almirante Lacerada
Macau

Transfer Agent(s):

First Jersey National Bank
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 10,222,802	$ 357,176
1980	9,711,764	406,813
1979	8,113,527	452,847
1978	6,242,300	532,976
1977	4,810,754	(11,173)

	No. of Com. Shares #	Earn. per Share #‡
1981	392,532	$ 0.91
1980	392,894	1.04
1979	394,397	1.15
1978	394,820	1.35
1977	394,901	—

‡ Including extraordinary gain of $25,000 ($0.06 per share) in 1978.
# Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 3,003,702	$ 7.65
1980	2,646,526	6.74
1979	2,243,773	5.69
1978	1,792,626	4.54
1977	1,259,650	3.19

# Based on weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 10,222,802	$ 9,711,764
Cost of sales	7,381,764	7,088,392
Expenses	2,276,264	2,067,234
Other income	(11,271)	(640)
Interest expense	82,869	61,965
Income before taxes	$ 493,176	$ 494,813
Income taxes	136,000	88,000
Net Income	$ 357,176	$ 406,813

* Included in Costs and Expenses, Depreciation and Amortization: $190,889 in 1981 and $201,936 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 668,499	$ 294,130
Accts. receiv., net	1,100,061	1,176,576
*Inventories	1,484,435	1,556,132
Prepaid expenses	50,622	57,783
Prepaid for. taxes	—	25,154
Current Assets	$ 3,302,617	$ 3,109,775
#Fixed assets	788,187	843,586
Other assets	38,530	44,401
Total Assets	$ 4,130,334	$ 3,997,762

Liabilities

Notes payable to banks	$ 330,000	$ 335,000
Notes payable to others	19,053	—
Long-term debt, curr.	12,430	27,039
Accts. payable	305,222	498,700
Accruals	333,412	413,941
Income taxes	108,075	45,109
Curr. Liabilities	$ 1,108,192	$ 1,319,789
Long-term debt	440	13,447
Deferred inc. taxes	18,000	18,000
+Common stock	264,965	264,965
Add. paid-in capital	149,804	149,804
Retained earnings	2,597,765	2,240,589
Treasury stock	(8,832)	(8,832)
Total Liabilities & Shareholders' Equity	$ 4,130,334	$ 3,997,762

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	4.82	5.09
%Net Income to Sales	3.49	4.19
%Net Income to Equity	11.89	15.37
Sales to Inventories	6.89	6.24
Working Capital	$2,194,425	$1,789,986
Current Ratio	2.98	2.36
Shareholders' Equity	$3,003,702	$2,646,526

Bell & Howell Company

7100 McCormick Road
Chicago, Illinois 60645
(312) 673-3300
(312) 262-1600

Officers: Donald N. Frey, chairman of the board & chief executive officer; Robert B. Huff, president & chief operating officer; Gerald E.A. Perutz, executive v.p.; Raymond A. Andrew, senior v.p.; Kingsley G. Bewley, Dexter P. Cooper, W. James Donaldson, David T. Jones, George E. Marton, Thomas P. O'Mara, Robert B. Pfannkuch, Charles W. Trippe, Daniel J. Yomine, vice presidents; Jack K. Hudson, v.p., secretary & general counsel; L. Steven Minkel, v.p. & treasurer; Philip P. Haag, Gary M. Saunders, asst. controller; John W. Hardie, asst. treasurer; Eugene F. Sikorovsky, Jeanne E. Truex, David Weiss, asst. secretaries.

Directors: Donald N. Frey, chairman; William B. Graham, Stanley E.G. Hillman, J. Herbert Holloman, Robert B. Huff, Lawrence W. Kanaga, Robert H. Malott, James J. O'Connor, Theodore Operhall, Gerald E.A. Perutz, Joseph B. Platt, Peter G. Scotese, Henry G. Van der Eb, John L. Vogelstein.

Areas of Work: Operating divisions are grouped in three lines of business: Specialized Business Equipment, Learning Systems & Materials, and Instrumentation. Specialized Business Equipment, the largest division includes microfilm products and service, microfiche, computer output microfilm (COM), mail handling systems, remittance processing, professional film printers and duplicators. Learning Systems offer teaching material, text books, eight institutes of technology, videocassettes and projectors. Instrumentation products include transducers, magnetic recording equipment, night vision and electro optics systems for military and commercial use, aspherics, glass and plastic optics.

Divisions and Subsidiaries:

International Administration
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Business Equipment Administration
6800 McCormick Road
Chicago, Illinois 60645
(312) 539-7300
(312) 565-7600

Phillipsburg Division
6800 McCormick Road
Chicago, Illinois 60645
(312) 675-7600
(312) 539-7300

Micro Photo Division
Old Mansfield Road
Wooster, Ohio 44691
(216) 264-6666

Avicom Division
360 Sierra Madre Villa
Pasadena, California 91109
(213) 796-9381

Microfilm Products Division
6800 McCormick Road
Chicago, Illinois 60645
(312) 675-7600
(312) 539-7300

Audio-Visual Division
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Professional Division
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Optics Division
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Training & Education Group
2201 W. Howard Street
Evanston, Illinois 60202
(312) 328-8100

Bell & Howell Exports, Inc.
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Missouri Institute of Technology
9001 State Line
Kansas City, Missouri 64108
(816) 361-6700

Charles E. Merrill Publishing
1300 Alum Creek Drive
Columbus, Ohio 43216
(614) 258-8441

Bell & Howell Acceptance Corp.
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600

Bell & Howell (South Africa) Pty. Ltd.
P.O. Box 32139
101 Juta Street
Braamfontein, Johannesburg, South Africa

Micrographix, (Pty.) Ltd.
P.O. Box 31239
101 Juta Street
Braamfontein, Johannesburg, South Africa

Bell & Howell GmbH (AV and Business Equipment)
6360 Friedberg/Hessen
Raiffeisenstrasse 8
P.O.B. 1207
West Germany

Bell & Howell Benelux N.V.
Ravenswade 22
3439 LD Nieuwegein, Holland

NB Jackets, SA
Rue de l'Hospice Communal 133
B-1170 Brussels, Belgium

Bell & Howell France, S.A.
112 Rue des Solets
Silic 138
94523, Rungis, Cedex, France

Service
7100 McCormick Road
Chicago, Illinois 60645
(312) 262-1600
(312) 673-3300

Bell & Howell Italia S.p.A.
A-V Division
Electronics & Instruments Division
Via Invenigo 6
20151 Milan, Italy

Bell & Howell Australia Pty. Ltd.
55-69 Murray St.-Pyrmont
G.P.O. Box 4778
Sydney, N.S.W., Australia

Bell & Howell Benelux S.A.
Leuvensesteenweg 321
1940 St. Stevens Woluwe
Zaventem, Belgium

Datatape Division
300 Sierra Madre Villa
Pasadena, California 91109
(213) 796-9381

CEC Division
360 Sierra Madre Villa
Pasadena, California 91109
(213) 796-9381

DeVry Institute of Technology
2858 Woodrock Blvd.
Atlanta, Georgia 30341
(404) 452-1562

DeVry Institute of Technology
3300 N. Campbell
Chicago, Illinois 60618
(312) 929-8500

Ohio Institute of Technology
1350 Alum Creek Drive
Columbus, Ohio 43209
(614) 253-7291

DeVry Institute of Technology
5353 Maple Avenue
Dallas, Texas 75235
(214) 638-6480

DeVry Institute of Technology
479 Green Street
Woodbridge, New Jersey 07095
(201) 634-3460

DeVry Institute of Technology
4702 N. 42nd Street
Phoenix, Arizona 85013
(602) 956-8806

Bell & Howell Ireland
Clonshaugh Industrial Estate
Coolock, Dublin 5, Ireland

DocuMail Systems Division
9801 Industrial Boulevard
Lenexa, Kansas 66215
(913) 888-8775

Electronics System Products Division
16135 Wyandotte Street
Van Nuys, California 91406
(213) 988-6422

Marine Video International
360 Sierra Madre Villa
Pasadena, California 91109
(213) 796-9381

Fernseh Inc. (joint venture between B&H and Robert Bosch Corp.)
P.O. Box 15068
3485 W. 2100 South
Salt Lake City, Utah 84115
(801) 972-8000

Professional & Video Systems Division
720 Landwehr Road
Northbrook, Illinois 60062
(312) 291-1150

NB Jackets de Puerto Rico, Inc.
Road No. 1, KM 33.5
P.O. Box 1151
Caguas, Puerto Rico 00625

NB Jackets Corporation
55-02 Broadway
Woodside, New York 11377
(212) 672-9000

DeVry Institute of Technology
970 Lawrence Avenue West
Toronto, M6A-1C5 Ontario,
Canada
(416) 787-1445

Bell & Howell Canada Ltd.
Audio Visual Products Division
Business Equipment Division
230 Barmac Drive
Weston, Ontario M9L 2X5
(416) 746-2200

Bell & Howell, A.B.
Vintergartan 1
S-17230, Sundyberg, Sweden

Bell & Howell Instrument Company/Bell & Howell Devices, Inc./Bell & Howell Magnetics, Inc.
P.O. Box 6619
Loiza Street Station
Santurce, Puerto Rico 00914
(809) 769-9910

Bell & Howell Japan Co.
5-2 Bldg., 2 Kojimachi 5-Chome
Chiyoda, Tokyo 102, Japan

Bell & Howell Limited
A-V Division
Alperton House, Bridgewater Road
Wembley, HAO 1EG, England

Business Equipment Division
33-35 Woodthorpe Road
Ashford, Middlesex, England

Electronics & Instruments Division
Lennox Road
Basingstoke, Hants, RG 22 4AW, England

Bell & Howell France S.A.
A-V Division
Business Equipment Division
Electronics & Instruments Division
32-34 Rue Fernand Pelloutier
92110, Clichy, France

Bell & Howell GmbH
Electronics & Instruments Division
Frankfurt, West Germany

COM Division (Computer Output on Microfilm)
16691 Hale Avenue
Irvine, California 92714
(714) 641-1050

Micro Design Division
857 West State Street
Hartford, Wisconsin 53027
(414) 673-3920

Business Data Products Division
360 Sierra Madre Villa
Pasadena, Calif. 91109
(213) 796-9381

Automated Systems Division
2280 E. Riley Street
Zeeland, Michigan
(616) 772-1000

Pretec Precisie Techniek B.V.
P.O. Box 53
1160 AB 2 Zwanenburg
Holland

Bell & Howell England
Dansk Filial
Oliesabriksvej 29-43
DK-2770 Kastrup
Denmark

Business Data Products Division
2720 Des Plaines Ave.
Des Plaines, Illinois 60018
(312) 297-1225

Acquisition(s):

Automated Systems
Manufactures self-propelled, unmanned, automatically guided mail delivery vehicles for office use.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, N.Y. 10015

Stock Exchange(s): *New York, Midwest, Pacific.

* Listed and/or traded.

Ticker Symbol: BHW

Number of Employees:

1981	11,244	1978	12,310
1980	11,241	1977	12,917
1979	11,280		

Sales and Earnings #

	Net Sales +	Net Income †
1981	$ 701,488,000	$ 21,627,000
1980*	639,962,000	26,147,000
1979	538,386,000	(25,081,000)
1978	469,330,000	12,138,000
1977	409,678,000	11,451,000

	No. of Com. Shares	Earn. per Share ‡†
1981	5,621,004	$ 3.83
1980	5,604,716	4.64
1979	5,550,683	—
1978	5,536,524	2.17
1977	5,725,656	1.99

(Loss)

* 53 weeks.

# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

+ Of continuing operations only.

† Including extraordinary gains of $3,735,000 ($0.66 per share) in 1981 and $7,230,000 ($1.28 per share) in 1980.

‡ Based on the average number of common shares and common share equivalents outstanding assuming full dilution.

Revenues By Line of Business
(000's)

	1981	1980
Specialized business equipment	$ 341,200	$ 311,700
Learning systems & Materials	271,400	243,400
Instrumentation	88,900	84,900
Total	$ 701,500	$ 640,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.96	—	—
1980	0.96	—	—
1979	0.96	—	—
1978	0.87	—	—
1977	0.84	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$ 184,347,000	$ 32.80
1980	173,233,000	30.91
1979	151,315,000	27.26
1978	181,522,000	32.78
1977	184,956,000	30.97

† Restated.

‡ After allowing for preferred stock at liquidation value of $60 per share.

Income Account *
(000's)

Year ended	1/2/82	1/3/81 ‡ (53 weeks)
Net sales	$ 701,488	$ 639,962
Other income	7,602	4,159
Total income	$ 709,090	$ 644,121
Cost of sales	468,309	416,794
Expenses	200,338	184,510
Interest expense	13,552	11,513
Income before taxes	$ 26,891	$ 31,304
Income taxes	9,583	12,387
Ann. effect of acctng. change	(2,129)	—
Inc. from cont. oper.	$ 19,437	$ 18,917
Loss from discont. oper.	(1,545)	—
Net Income	$ 17,892	$ 18,917
Extraord. gain	3,735	7,230
Net Income & Extraord. Gain	$ 21,627	$ 26,147

‡ Restated.

* Included in Costs and Expenses. Depreciation: $11,124,000 in 1981 and $11,122,000 in 1980.

Assets
(000's)

As of	1/2/82	1/3/81 ‡
Cash	$ 3,098	$ 7,022
Marketable securities	--	6,276
Accts. receiv., net	146,504	133,185
*Inventories	135,305	132,089
Prepaid expenses	3,206	3,642
Prepaid taxes	14,980	9,470
Current Assets	$ 303,093	$ 291,684
#Fixed assets	68,047	61,882
Investments & other assets	37,771	34,261
Total Assets	$ 408,911	$ 387,827

Liabilities

	1/2/82	1/3/81 ‡
Notes payable	$ 14,383	$ 8,864
Long-term debt, curr.	3,350	1,360
Accts. payable	45,733	44,537
Accruals	49,799	43,135
Deferred income	27,602	23,868
Income taxes	10,763	13,938
Curr. Liabilities	$ 151,630	$ 135,702
Long-term debt	59,181	60,757
Deferred compens.	5,950	6,013
Deferred inc. taxes	4,918	7,662
Liab. of discont. oper.	2,480	3,939
+ Preferred stock	405	521
+ + Common stock	36,911	36,496
Add. paid-in capital	13,975	13,975
Retained earnings	138,978	122,762
Cum. trans. adjust.	(5,517)	-
Total Liabilities & Shareholders' Equity	$ 408,911	$ 387,827

‡ Restated.

* At lower of cost (FIFO) or market. Domestic inventories of the Learning Systems & materials line of business stated at LIFO.

# Less accumulated depreciation.

+ $50 par value: $2.50 Series cumulative convertible.

+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.89
%Net Income to Sales	—	2.96
%Net Income to Equity	9.68	10.89
Sales to Inventories	5.18	4.73
Working Capital	$151,463,000	$155,982,000
Current Ratio	2.00	2.15
Shareholders' Equity	$184,752,000	$173,754,000

Bell Industries, Inc.

11812 San Vicente Boulevard
Los Angeles, California 90049
(213) 826-6778

Officers: Theodore Williams, chairman of the board & president; Howard B. Franklin, Samuel Essick, sr. v.p.'s; Nathan Landgarten, sr. v.p. & treasurer; Bruce M. Jaffe, v.p.-finance & secretary; Vernon D. Severy, v.p.; Paul F. Doucette, asst. v.p.; Dennis M. Benson, controller.

Directors: T.E. Williams*, chairman; Howard B. Franklin*, Bruce M. Jaffe*, Nathan Landgarten*, John J. Cost, Ellis Ring, Milton Rosenberg.

*Member of the Executive Committee.

Areas of Work: Company activities may be classified into the following groups: The Electronics Group is a major distributor of electronic components representing 50 leading electronics manufacturers. The Electronics Group also manufactures computer memory discs and other high precision, close tolerance products for the computer and aerospace industries including basic illumination for aircraft instrumentation, aircraft hydraulic valve sub-assemblies, multi-layered printed circuitry used in space flight and avionic guidance systems, computer hardware components, and electronic components used in communications and other computer applications. The other three operating groups include: The Building Products Group, which is engaged in the distribution of heating, air conditioning, plumbing and solar energy products through eight California facilities; The Motor Vehicle Parts & Accessories Group which stocks spare parts and accessories for motorcycles, recreational vehicles, and mobile homes; and The Graphic Arts Group which distributes film, chemicals and printing equipment in California.

Divisions:

Electronic Distributor Division
1161 N. Fair Oaks
Sunnyvale, California 94086
(408) 734-8570

Electronic Distributor Division
3422 W. Touhy Avenue
Skokie, Illinois 60645
(312) 982-9210

Electronic Distributor Division
1900 132nd N.E.
Bellevue, Washington 98005
(206) 747-1515

Electronic Distributor Division
11728 Linn N.E.
Albuquerque, New Mexico 87123
(505) 292-2700

Electronic Distributor Division
8155 West 48th Avenue
Wheatridge, Colorado 80033
(303) 424-1985

Electronic Distributor Division
3639 W2150 South
Salt Lake City, Utah 84120
(801) 972-6969

Electronic Systems Division
1831 South Ritchey Street
Santa Ana, California 92705
(714) 835-1464

Farwest Manufacturing Division
18225 N.E. 76th Street
Redmond, Washington 98052
(206) 885-4353

Graphic Arts Supply Division
4425 Shiela Street
Los Angeles, California 90040
(213) 268-9500

Graphic Arts Supply Division
615 Dado Street
San Jose, California 95131
(408) 946-5100

Midwest Mobilehome Supplies, Inc.
1081 Highway 36
St. Paul, Minnesota 55109
(612) 484-0291

Midwest Mobile Home Supplies Division
12775 W. Silver Spring Road
Butler, Wisconsin 53007
(414) 781-1860

J.W. Miller Division
19070 Reyes Avenue
Compton, California 90221
(213) 537-5200

Plumbing Supply Division
7 College Avenue
Santa Rosa, California 95401
(707) 545-7101

Precision Components Division
12605 South Van Ness Avenue
Hawthorne, California 90250
(213) 757-8381

Precision Metalcrafts Division
2637 Marine Way
Mountain View, California 94040
(415) 961-5532

Bell Industries, Inc.

Reliable Steel Supply Co.
740 E. 111th Place
Los Angeles, California 90059
(213) 777-3111

also at:

9707 Aero Drive
San Diego, California 92123
(714) 279-9750

Rox Automotive Division
2345 Harrison Street
San Francisco, California 94110
(415) 282-8830

Saw & Machine Division
3590 W. Third Avenue
Eugene, Oregon 97402
(503) 683-2355

Solar Products Division
Tustin, California

Acquisition(s):

Micro-Mil
Dayton, Ohio
Distributes electronic components to the military market.

Miconics Industries, Inc.
Hauppauge, New York
Distributes electronic components.

Transfer Agent(s):

Union Bank
Corporate Trust Department, 11th Floor
3810 Wilshire Boulevard
Los Angeles, California 90010

Union Bank
140 Cedar Street
New York, New York 10006

Stock Exchange(s): New York, Pacific

Ticker Symbol: BI

Number of Employees:

1981	1,600	1978	1,600
1980	1,800	1977	1,400
1979	1,700	1976	1,200

Sales and Earnings

	Net Sales +	Net Income
1981	$ 191,034,000	$ 7,290,000
1980	186,256,000	8,760,000
1979	147,760,000	7,182,000
1978	116,776,000	5,027,000
1977	93,877,000	4,290,000

	No. of Com. Shares#	Earn. per Share#
1981	4,408,000	$ 1.65
1980	4,379,000	2.00
1979	4,317,000	1.66
1978	4,292,000	1.17
1977	4,280,000	1.00

+ Of continuing operations only.
# Based on average number of shares and common stock equivalents outstanding.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Electronics	$ 106,114	$ 109,751
Transportation products	21,868	20,192
Residential products	42,971	40,792
Graphic arts	20,081	15,521
Total	$ 191,034	$ 186,256

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.24	—	—
1980	0.21	—	—
1979	0.17	—	—
1978	0.15	—	—
1977	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 49,538,000	$ 11.33
1980	42,734,000	9.88
1979	34,689,000	8.07
1978	28,154,000	6.59
1977	23,660,000	5.58

† Based on average number of shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 191,034	$ 186,256
Cost of sales	134,771	131,459
Expenses	37,250	33,151
Interest expense	3,118	3,027
Income before taxes	$ 15,895	$ 18,619
Income taxes	7,738	9,200
Income-cont. oper.	$ 8,157	$ 9,419
Loss-discont. oper.	(867)	(659)
Net Income	$ 7,290	$ 8,760

* Included in Costs and Expenses, Depreciation and Amortization: $1,916,000 in 1981 and $1,409,000 in 1980.

Assets
(000's)

As of June 30	1981	1980
Cash	$ 1,749	$ 2,054
Accts. receiv., net	28,139	29,692
*Inventories	39,518	43,919
Prepaid expenses	392	499
Current Assets	$ 69,798	$ 76,164
#Fixed assets	11,173	10,085
Other assets	7,504	4,872
Total Assets	$ 88,475	$ 91,121

Liabilities
(000's)

	1981	1980
Note payable	$ —	$ 4,750
Long-term debt, curr.	14	24
Accts. payable	13,740	13,250
Accruals	4,860	5,339
Dividends payable	262	259
Income taxes	966	1,765
Curr. Liabilities	$ 19,842	$ 25,387
Long-term debt	182	149
Note payable	6,100	10,500
Senior notes 9%	10,000	10,000
Subord. deben. 10%	1,148	1,124
Deferred comp.	1,665	1,227
+Common stock	1,093	1,081
Add. paid-in capital	3,623	3,075
Retained earnings	44,822	38,578
Total Liabilities & Shareholders' Equity	$ 88,475	$ 91,121

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.25 stated value.

Statistical Summary

%Net Income to Equity	14.72	20.50
Sales to Inventories	$49,956,000	$50,777,000
Current Ratio	3.52	3.00
Shareholders' Equity	$49,538,000	$42,734,000

The Bendix Corporation

Bendix Center
P.O. Box 5060
Southfield, Michigan 48037
(313)827-5000

Officers: William M. Agee, chairman, president & chief executive officer; A. L. McDonald, Jr., president; William C. Purple, executive v.p. & pres., Aerospace Electronics Group; J. Mason Reynolds, pres., Automotive Group; Craig R. Smith, pres., Industrial Group; F. Joseph Svec, executive v.p. & chief financial officer; John W. Weil, sr. v.p. & chief technical officer; Harold S. Barron, v.p., secretary & general counsel; K. Larry Hastie, v.p.-corp. development; Frank M. Adams, Alfred E. Clark, Stanley Demain, v.p.'s & Aerospace-Electronics group executives; Thomas J. Busch, O. Lee Henry, v.p.'s & Automotive Group executives; Paul F. Hartz, v.p., chairman & President-Fram corporation; Donald S. Jones, v.p. & president-Diversified Products Group; Louis J. Lawrence, v.p.-automotive production operations; James L. O'Brien, v.p.-international; John M. O'Hare, v.p.-industrial relations; Donald A. Proechel, v.p. & controller; Nancy C. Reynolds, v.p.-national affairs; Donald G. Speyer, v.p.-management services; Bernard Winograd, treasurer.

Aerospace-Electronics

Bendix has expanded into a variety of high-technology aerospace-electronics operations involving the design, development, production, marketing and technical support of products and systems primarily related to general, commercial and military aviation and space exploration.

The principal products supplied by Bendix to the aviation industry include electric power generating, converting and control systems; wheels brakes and landing gear, fuel controls; electro-mechanical and hydraulic components; engine and flight instruments and controls; inertial guidance systems; high altitude breathing equipment; communications, navigation and identification equipment; ground and airborne radar systems; connectors, cables, ignition components, and test and checkout equipment.

Bendix is also deeply involved in space technology. Principal products and services include system for space communications, guidance and control of space vehicles; test and checkout equipment; field engineering, and management and operational support services for NASA's launch facility at the Kennedy Space Center and its network of space tracking stations throughout the world.

Bendix also manufactures missile systems and subsystems; equipment for use in the detection and monitoring of pollutants, medical and health equipment; oceanics products, such as submarine sonar systems, underwater position-fixing, ranging and telemetry equipment; devices for testing and analytical functions in industrial and laboratory applications, and meteorological instruments. Under contract to the U.S. Dept. of Energy, Bendix manages a plant at which non-nuclear electronic, mechanical and electro-mechanical parts for nuclear weapons are manufactured.

Bendix manufactures automated capital equipment and perishable tools for the metalworking industry. Principal products include automated transfer, material handling, and assembly equipment; turning, grinding, boring, cutting, bending, and shearing equipment; measuring, inspection, and gaging equipment; computer-numerical-control systems; abrasive products, precision cutting tools, and machine accessories.

Other operations produce hydraulic excavators, textile machinery, industrial robots and piping systems for the power-generating, refining, petrochemical and other processing industries.

Subsidiaries:

Bendix International
767 Fifth Avenue
New York, New York 10153
(212) 750-9301

Bendix do Brasil Ltda. (Latin America)
Caixa Postal 1122
Sao Paulo, Brazil

Bendix Europe
39 rue Francois Ier
75008 Paris, France

Bendix Japan Limited (Asia)
Time and Life Building
3-6 Ohtemachi
2-Chome, Chiyoda-ku
Tokyo 100, Japan

Bendix Internatonal Service Corporation
(Middle East/Africa)
P.O. Box 39
Psychico
Athens, Greece

Service Brevets Bendix (Licensing)
44 rue Francois ler
75008 Paris, France

Bendix Advanced Technology Center
9140 Old Annapolis Road/Maryland 108
Columbia, Maryland 21045
(301) 992-6680

Serves as the central research and development center for the Corporation, researches solid-state and sensor technology; information science and engineering.

Bendix Process Technology
8970-F Route 108
Columbia, Maryland 21045
(301) 730-8001

Develops new business ventures specializing in chemical process technology.

Aerospace-Electronics Group

The Bendix Corporation Aerospace-Electronics Group
1000 Wilson Boulevard
Arlington, Virginia 22209
(703) 276-2000

Aviation Electric Limited
P.O. Box 2140
St. Laurent, Quebec H4L 4X8
Canada
(514) 744-2811

Rousseau Controls Division
271 Labrosse Avenue
Pont Claire, Quebec H9R 1A3
Canada
(514) 695-1240

Bendix Air Transport Avionics Division
2150 N.W. 62nd Street
P.O. Box 9414
Fort Lauderdale, Florida 33310
(305) 776-4100

Bendix Aircraft Brake & Strut Division
3520 West Westmoor Street
P.O. Box 10
South Bend, Indiana 46624
(219) 237-2100

Bendix Communications Division
1300 East Joppa Road
Baltimore, Maryland 21204
(301) 823-2200

Bendix Electric Power Division
Eatontown, New Jersey 07724
(201) 542-2000

Bendix Electrical Components Division
Sidney, New York 13838
(607) 563-5011

Bendix Electrodynamics Division
11600 Sherman Way
North Hollywood, California 91605
(213) 877-2881

Bendix Energy Controls Division
717 North Bendix Drive
South Bend, Indiana 46620
(219) 237-2100

Continental Controls Corporation
11661 Sorrento Valley Road
San Diego, California 92121
(714) 453-5171

Bendix Engine Products Division
Sidney, New York 13838
(607) 563-5011

Bendix Environmental & Process Instruments
Division
P.O. Box Drawer 831
Lewisburg, Virginia 24901
(304) 647-4358

Bendix Field Engineering Corporation
9250 Route 108
Columbia, Maryland 21045
(301) 730-3700

Bendix Flight Systems Division
Teterboro, New Jersey 07608
(201) 288-2000

Bendix Fluid Power Division
211 Seward Avenue
Utica, New York 13503
(315) 797-2500

Bendix General Aviation Avionics Division
2100 N.W. 62nd Street
P.O. Box 9414
Fort Lauderdale, Florida 33310

Bendix Guidance Systems Division
Teterboro, New Jersey 07608
(201) 288-2000

Courter Inc.
375 North Lake Street
Boyne City, Michigan 49712
(616) 582-6526

Bendix Kansas City Division
2000 East 95th Street
P.O. Box 1159
Kansas City, Missouri 64141
(816) 997-2000

Bendix Oceanics Division
15825 Roxford Street
Sylmar, California 91342
(213) 367-0111

Bendix Test Systems Division
Teterboro, New Jersey 07608
(201) 288-2000

Bendix International GmbH
Hahnstrasse 40
6000 Frankfurt/Main 71
West Germany

Societe Anonyme DBA
Division Aeronautique
18 Rue Basly
92600 Asnieres-sur-Seine, France

Automotive Group

The Bendix Corporation Automotive Group
Bendix Center
P.O. Box 5029
Southfield, Michigan 48037
(313) 827-5000

Bendix Automotive Control Systems Group
401 North Bendix Drive
P.O. Box 4001
South Bend, Indiana 46634
(219) 237-2100

Bendix Automotive Controls Division
615 Bland Boulevard
Newport News, Virginia 23602
(804) 877-8011

Fram Corporation Automotive Division
105 Pawtucket Avenue
Providence, Rhode Island 02916
(401) 434-7000

Bendix Autolite Corporation
1600 N. Union Street
Fostoria, Ohio 44830
(419) 435-6655

Industrial Group

The Bendix Corporation Industrial Group
11000 Cedar Avenue
Cleveland, Ohio 44106
(216) 432-5000

Bendix Automation & Measurement Division
721 Springfield Street
P.O. Box 1127
Dayton, Ohio 45401
(513) 254-5377

Bendix Industrial Controls Division
12843 Greenfield Road
Detroit, Michigan 48227
(313) 272-3710

Bendix Robotics
21238 Bridge Street
Southfield, Michigan 48034
(313) 352-7700

Warner & Swasey MSC Division
1818 Elm Hill Pike
Nashville, Tennessee 37210
(615) 889-9441

Transfer Agent(s):

Manufacturers Hanover Trust
New York, New York

Office of The Bendix Corporation
Southfield, Michigan

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: BX

Number of Employees:

1981	69,600	1978	76,000
1980	78,500	1977	80,600
1979	73,700		

Sales and Earnings

	Revenues +	Net Income
1981	$4,425,400,000	$ 452,800,000
1980	3,864,100,000	191,600,000
1979	3,412,700,000	162,600,000
1978	3,222,700,000	129,600,000
1977	2,951,600,000	118,100,000

	No. of Com. Shares	Earn per Share †
1981	19,300,000	$ 18.49
1980	22,900,000	7.68
1979	22,300,000	7.10
1978	22,200,000	5.74
1977	21,500,000	5.29

+ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Automotive	$ 2,176,500	$ 1,997,300
Aerospace-Electronics	1,468,700	1,280,900
Industrial-Energy	784,900	626,100
Sundry operations & intercompany eliminations	(4,700)	(40,200)
Total	$ 4,425,400	$ 3,864,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.00	—	—
1980	2.84	—	—
1979	2.56	—	—
1978	2.28	—	—
1977	2.00	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 1,285,800	$ 66.67
1980	1,158,200	50.49
1979	1,019,400	45.65
1978	913,000	41.08
1977	815,900	38.00

‡ After allowing for preferred stock at liquidation values.

The Bendix Corporation

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 4,393,100	$ 3,837,600
Oper. income	32,300	26,500
Other income	209,000	30,700
Total income	$ 4,634,400	$ 3,894,800
Cost of sales	3,509,000	3,033,200
Expenses	627,300	540,800
Minority interest	4,500	8,400
Interest expense	110,000	82,900
Income before taxes	$ 383,600	$ 229,500
Income taxes	179,100	95,300
Income-cont. oper.	$ 204,500	$ 134,200
Income-discont. oper.	248,300	57,400
Net Income	$ 452,800	$ 191,600

* Included in Costs and Expenses, Depreciation, and Amortization: $91,800,000 in 1981 and $78,400,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash & marketable securities	$ 572,200	$ 44,500
Accts. receiv, net	622,000	648,200
*Inventories	901,600	889,600
Prepaid expenses	86,000	70,500
Current Assets	$ 2,181,800	$ 1,652,800
Investments	98,300	33,600
# Fixed assets	737,300	705,900
Assets of discont. oper.	—	396,000
Other assets	114,500	44,000
Intangibles	86,600	91,200
Total Assets	$ 3,218,500	$ 2,923,500

Liabilities
(000's)

	1981	1980
Notes payable	$ 103,700	$ 142,600
Accts. & drafts payable	370,500	411,000
Accruals	451,400	382,000
Income taxes	211,600	24,400
Curr. Liabilities	$ 1,137,200	$ 960,000
Long-term debt	519,600	549,400
Minority interest	33,000	36,300
Deferred inc. taxes	61,800	37,000
+ Preferred stock:		
Series A $3	1,500	1,900
Series B 9¾%	170,800	168,900
+ + Common stock	96,800	115,100
Add. paid-in capital	42,700	46,700
Retained earnings	1,158,900	1,012,000
Treasury stock	(3,800)	(3,800)
Total Liabilities & Shareholders' Equity	$ 3,218,500	$ 2,923,500

* At lower of cost or market (replacement cost or net realizable value). For 75% of inventories, cost is determined by FIFO or average methods. Remainder at LIFO.
# Less accumulated depreciation.
+ No par value; cumulative convertible.
+ + $5 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	30.87	14.29
Sales to Inventories	4.87	4.31
Working Capital	$1,044,600,000	$ 692,800,000
Current Ratio	1.92	1.72
Shareholders' Equity	$1,466,900,000	$1,340,800,000

Bio-Rad Laboratories, Inc.

2200 Wright Avenue
Richmond, California 94804
(415) 234-4130

Officers: David Schwartz, president; James Bennett, v.p.; Howard Foster, secretary; Donald J. Marsee, v.p.-finance & administration; Warren R. Howell, v.p.-analytical instruments group; Burton A. Zabin, asst. secretary; Norman Schwartz, treasurer.

Directors: James J. Bennett, Howard Foster, Albert J. Hillman, Philip L. Padou, Alice N. Schwartz, David Schwartz, Burton A. Zabin.

Areas of Work: Engaged in the development, manufacture and marketing of products used for the analysis of complex chemical mixtures into their individual components and to provide qualitative and quantitative information on each component. Products are used in a broad range of applications including research, manufacturing process and quality control and in the clinical and medical diagnosis of organic and metabolic disturbances in humans. The company also publishes spectral reference data used in research and industry.

Divisions and Subsidiaries:

Block Research and Engineering Division
Cambridge, Massachusetts

Chemical Division
Richmond, California

Clinical Division
Richmond, California

Diagnostic System Division
Richmond, California

Digilab Division
Cambridge, Massachusetts

Environmental Chemical Specialties Division
Anaheim, California

Sadtler Research Laboratories Division
Philadelphia, Pennsylvania

Bio-Rad Laboratories, Ges.m.b.H.
Vienna, Austria

Bio-Rad Laboratories
Brussels, Belgium

Bio-Rad Laboratories (Canada) Ltd.
Mississauga, Canada

Bio-Rad Laboratories Ltd.
Watford, England

Bio-Rad Laboratories B.V.
Utrecht, The Netherlands

Bio-Rad Laboratories S.R.L.
Milan, Italy

Bio-Rad Laboratories AG
Zurich, Switzerland

Bio-Rad Laboratories GmbH
Munich, West Germany

Bio-Rad Laboratories Pty., Limited
Sydney, Australia

Bio-Rad Laboratories (Japan) K.K.
Tokyo, Japan

Transfer Agent(s):

Crocker National Bank
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American

Ticker Symbol: BIO

Number of Employees:

1981 ...... 700 1980 700

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 50,341	$ 2,011
1980	46,085	1,863
1979	39,386	1,817
1978	26,160	1,118
1977	17,061	935

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,868,000	$ 0.70
1980	2,724,500	0.68
1979	2,446,600	0.74
1978	2,422,800	0.46
1977	2,337,600	0.40

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Revenues By Line of Business

	1981	1980
Chemical products	$ 15,514,000	$ 14,945,000
Chemical products	12,556,000	12,347,000
Instrumentation products	13,658,000	12,652,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	100%	—
1979	—	—	5-for-4
1978	—	—	5-for-4
1977	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 15,397,000	$ 5.37
1980	13,676,000	5.02
1979	7,831,000	3.20
1978	5,933,000	2.45
1977	4,728,000	2.02

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 50,341,000	$ 46,085,000
Cost of sales	22,866,000	19,651,000
Expenses	22,785,000	21,986,000
Interest expense	2,727,000	1,796,000
Invest. income	(1,261,000)	(267,000)
Other (inc.) expense	542,000	(77,000)
Income before taxes	$ 2,682,000	$ 2,996,000
Income taxes	671,000	1,133,000
Net Income	$ 2,011,000	$ 1,863,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,476,000 in 1981 and $1,150,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 832,000	$ 3,766,000
Accts. receiv., net	10,827,000	9,351,000
*Inventories	11,283,000	9,665,000
Other assets	956,000	502,000
Current Assets	$ 23,898,000	$ 23,284,000
#Fixed assets	6,973,000	6,642,000
Market securities	9,347,000	6,393,000
Other assets	1,424,000	1,076,000
Total Assets	$ 41,642,000	$ 37,389,000

Liabilities

Notes payable & long-term debt. curr.	$ 2,290,000	$ 731,000
Accts. payable	3,661,000	3,071,000
Other liabilities	4,008,000	3,787,000
Curr. Liabilities	$ 9,959,000	$ 7,589,000
Long-term debt	15,426,000	15,536,000
Deferred inc. taxes	860,000	888,000
+Common stock	2,809,000	2,831,000
Add. paid-in capital	4,103,000	4,263,000
Retained earnings	8,485,000	6,582,000
Total Liabilities & Shareholders' Equity	$ 41,642,000	$ 37,689,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.33	6.50
%Net Income to Sales	3.99	4.04
%Net Income to Equity	13.06	13.62
Sales to Inventories	4.46	4.77
Working Capital	$13,939,000	$15,695,000
Current Ratio	2.40	3.07
Shareholders' Equity	$15,397,000	$13,676,000

The Birtcher Corporation

4501 North Arden Drive
El Monte, California 91731
(213) 575-8144

Officers: Ernest V. Jarvis, chairman of the board; Francis J. Kelly, Jr., president; Philip R.A. Hardaker, v.p.-sales & marketing; Eugene P. Lamb, v.p.-international marketing; Jack J. Kroulek, v.p. & director of operations; George W. Koenig, v.p.-finance, secretary & treasurer; Hyrum T. Jarvis, asst. treasurer; E.V. Jarvis, Jr., asst. secretary.

Directors: Ernest V. Jarvis, chairman; Arthur C. Beall, Jr., Hymen P. chalmers, Alfred C. Ingersoll, Hyrum T. Jarvis, John P. Preston, Francis J. Kelly, Jr.

Areas of Work: Develops and manufactures medical electronic instruments and electronic hardware.

Divisions:

Industrial Products
Manufactures and sells guides, racks and retainers for printed circuit boards in a variety of configurations, primarily for the computer industry and manufactures automatic screw machine products.

Medical Products
Manufactures and distributes medical electronic instruments for cardiac monitoring, surgery and physical therapy.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 30376 Terminal Annex
Los Angeles, California 90030

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIRT (NASDAQ)

Number of Employees:

1980	261	1977	227
1979	232	1976	201
1978	239		

Plant Footage:

1980	106,000 sq. ft.	1977	106,000
1979	106,000	1976	70,000
1978	106,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 10,252,541	$ 572,636
1980	9,671,754	598,018
1979	7,428,621	467,983
1978	7,205,682	200,296
1977	6,018,848	83,023

	No. of Com. Shares	Earn. per Share‡ #
1981	2,053,921	$ 0.28
1980	1,959,278	0.31
1979	1,768,048	0.26
1978	1,746,160	0.11
1977	1,722,191	0.05

‡ Including extraordinary gains of $103,000 ($0.06 per share) in 1979, $80,000 ($0.04 per share) in 1978, $28,000 ($0.02 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Medical elec.	$ 5,715,000	$ 5,602,000
Industrial elec.	4,538,000	4,070,000
Total	$ 10,253,000	$ 9,672,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,203,990	$ 2.05
1980	3,358,065	1.71
1979	2,516,732	1.42
1978	2,000,573	1.14
1977	1,780,711	[illegible]

Income Account *

Year ended Dec. 31	1981	1980
Revenues	$ 10,252,541	$ 9,671,754
Cost of sales	5,398,030	5,366,940
Expenses	3,762,751	3,208,038
Interest expense	155,124	118,758
Income before taxes	$ 936,636	$ 978,018
Income taxes	364,000	380,000
Net Income	$ 572,636	$ 598,018

* Included in Costs and Expenses, Depreciation and Amortization: $201,215 in 1981 and $129,682 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 108,943	$ 148,083
Accts. receiv., net	1,609,701	1,689,174
*Inventories	2,723,524	2,390,415
Prepaid expenses	197,693	105,747
Prepaid taxes	295,594	213,594
Current Assets	$ 4,935,455	$ 4,547,013
#Fixed assets	526,715	638,760
Other assets	100,000	28,265
Total Assets	$ 5,562,170	$ 5,214,038

Liabilities

Notes payable	$ 360,000	$ 100,000
Long-term debt, curr.	158,409	156,965
Accts. payable	263,751	303,827
Accrued payroll	373,010	306,686
Other liabilities	41,532	24,052
Income taxes	—	389,426
Curr. Liabilities	$ 1,196,702	$ 1,280,956
Long-term debt	161,478	472,081
Deferred compensation	—	102,936
+Capital stock	2,053,921	1,959,278
Add. paid-in capital	1,429,602	1,250,956
Retained earnings	720,467	147,831
Total Liabilities & Shareholders' Equity	$ 5,562,170	$ 5,214,038

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.14	10.11
%Net Income to Revenues	5.59	6.18
%Net Income to Equity	13.62	17.81
Working Capital	$3,738,753	$3,052,463
Current Ratio	4.12	3.38
Shareholders' Equity	$4,203,990	$3,358,065

Bishop Graphics, Inc.

5388 Sterling Center Drive
P.O. Box 5007
Westlake Village, California 91359
(213) 991-2600

Officers: Martin J. Salvin, chairman of the board & president; Lloyd Blonder, v.p.-finance, Robert Meisterling, v.p.-marketing services; Gordon L. Almquist, treasurer; Rubin M. Turner, secretary; Marguerite Devereaux, asst. secretary.

Directors: Martin J. Salvin, chairman; Robert H. Besbeck, David J. Cohen, Richard B. Leng, Rubin M. Turner.

Areas of Work: Manufactures and markets pressure-sensitive electronic component drafting aids and other precision-printed and/or specially-processed products and allied services for the various engineering and graphics disciplines. Also operates three retail outlets in California which sell drafting equipment.

Divisions and Subsidiaries:

Accupress
9434 Mason Avenue
Chatsworth, California 91311

Bishop Graphics Drafting Supply Centers:
17891 Sky Park Boulevard
Irvine, California 92714

10645 Vanowen Street
North Hollywood, California 91605

835 Stewart Drive
Sunnyvale, California 94086

Bishop DISC
Westlake Village, California

Danatron Corporation
Costa Mesa, California
Manufactures a line of precision digital electronic measuring devices that combine the technologies of digital electronics, optics and microprocessors, for the machine tool industry.

Transfer Agent(s):

City National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BGPH (NASDAQ)

Number of Stores: (at fiscal year end)

1981	207	1979	220
1980	220	1978	168

Plant Footage:

1981	96,700 sq. ft.	1979	96,700
1980	96,700	1978	81,700

Sales and Earnings

	Net Sales	Net Income #
1981	$ 10,681,000	$ 346,000
1980	9,869,000	480,000
1979	9,347,000	367,000
1978	7,450,000	270,000
1977	5,334,287	361,172

	No. of Com. Shares +	Earn. per Shares # +
1981	1,172,618	$ 0.30
1980	1,112,761	0.43
1979	1,110,002	0.33

Including extraordinary gain of $32,843 ($0.03 per share) in 1977.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Bishop Graphics, Inc.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	10%	—
1980	—	—	—
1979	—	10%	—
1978	—	—	—
1977	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 2,919,000	$ 2.49
1980	2,573,000	2.31
1979	2,058,000	1.85

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 10,681,000	$ 9,869,000
Cost of sales	5,333,000	5,017,000
Expenses	4,803,000	4,161,000
Gain on sale	—	(93,000)
Income before taxes	$ 545,000	$ 784,000
Income taxes	199,000	304,000
Net Income	$ 346,000	$ 480,000

* Included in Costs and Expenses, Depreciation and Amortization: $189,000 in 1981 and $195,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 315,000	$ 316,000
Acct. receiv., net	1,638,000	1,333,000
Notes receiv., curr.	46,000	56,000
*Inventories	2,031,000	1,720,000
Prepaid expenses	168,000	100,000
Current Assets	$ 4,198,000	$ 3,525,000
#Fixed assets	1,148,000	803,000
Notes receiv.	39,000	59,000
Other assets	28,000	28,000
Total Assets	$ 5,413,000	$ 4,415,000

Liabilities

	1981	1980
Notes payable	$ 150,000	$ —
Long-term debt, curr.	310,000	225,000
Accts. payable	587,000	418,000
Accruals	100,000	97,000
Accrued payroll	202,000	171,000
Emp. benefit plan	55,000	48,000
Income taxes	24,000	46,000
Curr. Liabilities	$ 1,428,000	$ 1,005,000
Long-term debt	689,000	514,000
Deferred inc. taxes	377,000	323,000
+ Common stock	11,000	10,000
Add. paid-in capital	1,184,000	781,000
Retained earnings	1,724,000	1,782,000
Total Liabilities & Shareholders' Equity	$ 5,413,000	$ 4,415,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.10	7.94
%Net Income to Sales	3.24	4.86
%Net Income to Equity	11.85	18.66
Sales to Inventories	5.26	5.74
Working Capital	$2,770,000	$2,520,000
Current Ratio	2.94	3.51
Shareholders' Equity	$2,919,000	$2,573,000

The Boeing Company

P.O. Box 3707
7755 East Marginal Way South
Seattle, Washington 98108
(206) 656-2121

Officers: T.A. Wilson, chairman of the board & chief executive officer; M.T. Stamper, president; H.W. Haynes, exec. v.p. & chief financial officer; D.P. Beighle, V.p.- contracts, general counsel & secretary; E.H. Boullioun, sr. v.p.- commercial airplanes; K.F. Holtby, W.M. Maulden, Clyde Skeen, R.W. Tharrington, senior vice president; R.B. Light, v.p.-Washington, D.C. Office; S.M. Little, v.p.-industrial and public relations; A.H. Lowell, controller, J.B.L. Pierce, treasurer; J.E. Steiner, v.p.- corporate products development; R.W. Welch, v.p.-Boeing Commercial Airplane Company.

Directors: T.A. Wilson, chairman; H.W. Haynes, Charles M. Pigott, D.E. Skinner, Malcolm T. Stamper, George H. Weyerhaeuser, Harold J. Haynes, Rene C. McPherson, Lee L. Morgan, William M. Batten, David Packard, Stanley Hiller, Jr., Irving S. Shapiro.

Areas of Work: The company is involved in missile and space-oriented activities as well as the manufacture of military and commercial helicopters and aircraft, hydrofoil craft and associated products.

Divisions and Subsidiaries:

Seattle Services Division
Seattle, Washington

Boeing Aerospace Company
Kent, Washington

Boeing Commercial Airplane Company
Renton, Washington

Boeing Vertol Company
Philadelphia, Pennsylvania

Boeing Military Airplane Company
Wichita, Kansas

Boeing Computer Services Company
Kent, Washington
Morristown, New Jersey

Boeing Engineering and Construction Company
Tukwila, Washington

Boeing Marine Systems
Renton, Washington

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s)*: New York, Midwest, Pacific, London, Switzerland

* Listed and/or traded.

Ticker Symbol: BA

Number of Employees:

1981	105,300	1978	81,200
1980	106,300	1977	66,900
1979	98,300		

Plant Footage: (Inc. leased and govt. owned floor area; in million square feet)

1981	45.4	1978	36.8
1980	43.1	1977	33.9
1979	39.6		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)	No. of Com. Shares ‡	Earn. per Share ‡
1981	$ 9,788,200	$ 473,000	96,454,626	$ 4.90
1980	9,426,200	600,500	96,340,509	6.23
1979	8,131,000	505,400	96,213,882	5.25
1978	5,463,000	322,900	96,014,277	3.36
1977	4,018,800	180,300	95,788,694	1.88

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Transportation equipment & related services	$ 8,691,500	$ 8,587,800
Missiles/space & miscellaneous	666,600	508,900
Other industries	524,700	430,800
Corp. income	189,800	258,600
Total	$ 10,072,600	$ 9,786,100

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.40	—	3-for-2
1979	1.40	—	3-for-2
1978	0.87	—	—
1977	0.38	—	2-for-1

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1981	$ 2,655,200	$ 27.52
1980	2,314,800	24.02
1979	1,847,500	19.19
1978	1,473,600	15.34
1977	1,231,300	12.84

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 9,788,200	$ 9,426,200
Other income	284,400	359,900
Total income	$ 10,072,600	$ 9,786,100
Cost of sales & exp.	9,362,500	8,759,900
Interest & debt exp	19,300	11,100
Income before taxes	$ 690,800	$ 1,015,100
Income taxes	217,800	414,600
Net Income	$ 473,000	$ 600,500

* Included in Costs and Expenses, Depreciation: $291,100,000 in 1981 and $206,000,000 in 1980.

Assets
(000's)

As of Dec. 31.	1981	1980
Cash & cert. of deposit	$ 690,300	$ 1,074,400
Short-term investments	230,000	540,900
Accts. receiv., net	457,700	466,700
Long-term customer financing, curr.	76,000	33,600
Inventories	3,267,900	1,984,600
Current Assets	$ 4,721,900	$ 4,100,200
Long-term customer financing	390,000	277,400

# Fixed assets	1,777,900	1,504,600
Investments & other assets	63,900	49,100
Total Assets	$ 6,953,700	$ 5,931,300

Liabilities
(000's)

Long-term debt, curr.	$ 17,000	$ 13,900
Accts. payable & accruals	2,415,500	2,015,200
Advs. & prog. billings in exc. of costs	276,600	428,700
Income taxes	541,500	670,700
Curr. Liabilities	$ 3,250,600	$ 3,128,500
Long-term debt.	327,000	76,200
Deferred invest. credit	221,700	151,500
Deferred inc. taxes	499,200	260,300
+Common Stock	832,600	830,600
Retained earnings	1,826,800	1,488,900
Treasury stock	(4,200)	(4,700)
Total Liabilities & Shareholders' Equity	$ 6,953,700	$ 5,931,300

# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.06	10.77
%Net Income to Sales	4.83	6.37
%Net Income to Equity	17.81	25.94
Sales to Inventories	3.00	4.75
Working Capital	$1,471,300,000	$ 971,700,000
Current Ratio	1.45	1.31
Shareholders' Equity	$2,655,200,000	$2,314,800,000

Bolt Beranek and Newman Inc.

10 Moulton Street
Cambridge, Massachusetts 02238
(617) 491-1850

Officers: Samuel Labate, chairman of the board; Stephen R. Levy, president & chief executive officer; Harry R. Kirsch, sr. v.p.-finance & chief financial officer; Salvatore P. Luciano, vice president-corporate services; Michael Nacey, vice president-personnel; Edward R. Santoro, Robert D. Bressler, v.p.s; Bruce D. Glabe, v.p. & treasurer.

Directors: Leo L. Beranek, Samuel Labate, Robert B. Newman, Stephen R. Levy, Roger Wellington, Andrew L. Nichols.

Areas of Work: Engaged in consulting, research, and product development and production in the fields of acoustics technology, geophysical and energy studies, and computer technology. Produces instruments and systems for measuring, monitoring, and reducing noise and vibration. Develops time sharing systems for diverse applications; develops specialized computer hardware and software including minicomputers and electronic mail systems.

Divisions:

Architectural Technologies Division
Environmental and Noise Control Technologies Division
Underwater Technologies Division
Information Sciences Division
Computer Systems Division

Subsidiaries:

BBN-Instruments Corporation
BBN-Computer Corporation
BBN Information Management Corporation

All at:

10 Moulton Street
Cambridge, Massachusetts 02138
(617) 491-1850

1300 North 17th Street
Arlington, Virginia 22209

21120 Vanowen Street
Canoga Park, California 91303

3605 Rosecrans Place
San Diego, California 92110

Union Station
New London, Connecticut 06320

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: BBN

Plant Footage:

1981	585,010 sq. ft.	1978	273,600
1980	459,010	1977	273,600
1979	459,010		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 55,072,600	$ 939,600
1980	46,902,600	2,871,500
1979	37,708,800	10,090,100
1978	30,185,200	(397,100)
1977	26,573,200	(918,700)

	No. of Com. Shares +	Earn. per Share +
1981	2,147,303	$ 0.44
1980	2,099,963	1.37
1979	2,015,352	5.01
1978	1,876,782	—
1977	1,871,949	—

(Loss)
‡ Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Consulting, research, develop.:		
Computer tech.	$ 25,291,800	$ 22,283,900
Acoustics tech.	19,332,300	16,926,000
Products	10,448,500	7,692,700
Total	$ 55,072,600	$ 46,902,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.273	—	3-for-2
1980	0.267	—	—
1979	0.200	—	—
1978	0.133	—	—
1977	0.133	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 22,187,400	$ 10.33
1980	21,251,400	10.12
1979	18,332,700	9.10
1978	8,580,700	4.57
1977	7,027,300	3.75

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 55,072,600	$ 46,902,600
Operating costs & expenses	39,791,300	34,433,600
Expenses	12,615,800	7,425,100
Depreciation & amortization	2,767,800	1,938,400
Interest expense	1,962,800	914,800
Interest income	(57,100)	(198,500)
Other income	(1,368,400)	(1,415,000)
Gain on dispos.	(1,176,200)	38,300
Income before taxes	$ 536,600	$ 3,842,500
Income taxes (credit)	(403,000)	971,000
Net Income	$ 939,600	$ 2,871,500

Assets

As of June 30	1981	1980
Cash	$ 2,291,600	$ 1,359,700
Accts. receiv., net	14,242,900	14,255,900
Other curr. assets	1,413,400	1,064,900
Refundable income taxes	163,100	304,300
*Inventories	5,448,000	2,097,700
Current Assets	$ 23,559,000	$ 19,082,500
Investments	1,929,200	14,184,700
# Fixed assets	14,004,500	10,881,000
Defer. charges	70,200	50,300
Total Assets	$ 39,562,900	$ 44,198,500

Liabilities

Accts. payable	$ 1,936,000	$ 2,083,100
Oblig. under cap. leases	890,300	633,800
Long term debt. curr.	59,700	53,900
Inc. taxes payable	3,530,000	—
Dividends payable	290,400	266,900
Other liabilities	2,657,800	1,614,000
Deferred taxes	3,852,700	5,067,100
Curr. Liabilities	$ 13,216,900	$ 9,718,800
Long-term debt	409,700	7,969,400
Deferred inc. taxes	487,700	3,302,000
Oblig under cap. leases	3,261,200	1,956,900
+Common stock	2,073,900	1,334,400
Add. paid-in capital	4,065,600	4,247,600
Retained earnings	16,047,900	15,669,400
Total Liabilities & Shareholders' Equity	$ 39,562,900	$ 44,198,500

*At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.97	8.19
%Net Income to Sales	1.71	6.12
%Net Income to Equity	4.23	13.51
Sales to Inventories	10.11	22.36
Working Capital	$10,342,100	$ 9,363,700
Current Ratio	1.78	1.96
Shareholders' Equity	$22,187,400	$21,251,400

Boonton Electronics Corporation

499 Pomeroy Road
P.O. Box 122
Parsippany, New Jersey 07054
(201) 887-5110

Officers: Jack Frucht, chairman of the board & chief executive officer; Raymond E. Lafferty, sr. v.p. & general manager; John M. Young, v.p. & operations manager; Scott Elkins, v.p.-marketing & planning; Richard C. Lee, v.p.-engineering; Kalju Kaepa, secretary & treasurer.

Directors: Jack Frucht, John H. Mennie, John M. Young, Otto H. York.

Areas of Work: Designs and manufactures electronic measuring instruments for use in the laboratory and on production lines of manufacturers of electronic components and equipment. These instruments include rf voltmeters, microwave power meters, signal generators, modulation meters, admittance bridges, and capacitance and inductance meters and bridges.

Boonton Electronics Corporation

Subsidiary:

Boonton International Sales Corporation (DISC)
Parsippany, New Jersey

Transfer Agent(s):

Chemical Bank
Corporate Trust Department
P.O.Box 25965
Church Street Station
New York, New York 10249

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOON (NASDAQ)

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 8,367,189	$ 237,053
1980	7,815,377	324,154
1979	8,538,850	577,019
1978	8,218,631	861,174
1977	6,338,632	432,320

	No. of Com. Shares †	Earn. per Share +
1981	698,286	$ 0.34
1980	698,286	0.46
1979	698,286	0.83
1978	698,286	1.23
1977	698,286	0.62

‡ Includes other income.
+ Based on average number of shares outstanding adjusted to reflect stock dividends.
† Adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.15	—	—
1979	0.25	10%	—
1978	0.25	10%	—
1977	0.10	10%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 4,242,909	$ 6.08
1980	4,005,856	5.74
1979	3,786,445	5.42
1978	3,371,078	4.83
1977	2,657,768	3.81

Adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 8,367,189	$ 7,815,377
Cost of sales	5,020,522	4,501,968
Expenses	2,893,583	2,625,853
Oper. profit	$ 453,084	$ 687,556
Other charges	93,797	124,331
Other income	109	—
Income before taxes	$ 359,396	$ 563,225
Income taxes	122,343	239,071
Net Income	$ 237,053	$ 324,154

* Included in Costs and Expenses, Depreciation: $142,056 in 1981 and $133,836 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 194,095	$ 229,038
Accts. receiv. net	1,586,335	1,252,730
Other receiv.	1,811	1,058
*Inventories	2,550,869	2,823,545
Prepaid expenses	103,280	77,830
Current Assets	$ 4,436,390	$ 4,384,210
#Fixed assets	695,247	673,418
Other assets	159,060	150,388
Total Assets	$ 5,290,697	$ 5,208,016

Liabilities

Notes payable	$ 270,000	$ 600,000
Accts. payable	243,945	218,940
Accruals	394,671	287,768
Accts. receiv.-credit balance	—	112
Income taxes	5,536	4,750
Curr. Liabilities	$ 914,152	$ 1,111,570
Long-term debt	133,636	90,590
#Common stock	69,829	69,829
Add. paid-in capital	1,945,004	1,945,004
Retained earnings	2,228,076	1,991,023
Total Liabilities & Shareholders' Equity	$ 5,290,697	$ 5,208,016

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.30	7.21
%Net Income to Sales	2.83	4.15
%Net Income to Equity	5.59	8.09
Sales to Inventories	3.28	2.77
Working Capital	$3,522,238	$3,272,640
Current Ratio	4.85	3.94
Shareholders' Equity	$4,242,909	$4,005,856

Boston Digital Corporation

86 South Street
Hopkinton, Massachusetts 01748
(617) 435-6871

Officers: Thomas D. Linn, president; Ara Aykanian, executive v.p. & treasurer; Simon Queen, clerk; Stanley Leven, asst. clerk; Richard H. Dietz, v.p.-marketing; Robert M. Engler, v.p.-manufacturing; Ernest H. Johnston, v.p.-engineering; William F. Staples, Jr., asst. treasurer & controller.

Directors: Ara Aykanian, H. Joseph Gerber, Thomas D. Linn, Stanley Leven, David J. Logan, Simon Queen.

Areas of Work: Develops, manufactures and markets computer numerically controller machining systems.

Subsidiaries:

BostoMatic International Corporation
Hopkinton, Massachusetts

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOST (NASDAQ)

Number of Employees:

1981	200	1978	100
1980	200	1977	85
1979	130		

Plant Footage:

1981	55,000 sq. ft.	1978	30,000
1980	55,000	1977	30,000
1979	35,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 20,981,709	$ 1,875,898
1980	15,201,121	1,299,059
1979	9,012,554	649,492
1978	6,672,791	513,913
1977	4,379,802	184,440

	No. of Com. Shares #	Earn. per Share #
1981	2,810,654	$ 0.67
1980	2,442,055	0.53
1979	2,314,674	0.28
1978	2,305,518	0.22
1977	2,304,684	0.08

(Loss)
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-1
1979	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 9,662,681	$ 3.44
1980	3,773,393	1.55
1979	2,474,334	1.07
1978	1,821,981	0.79

# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended April 30	1984	1980
Net sales	$ 20,981,709	$ 15,201,121
Cost of sales	14,016,976	10,191,288
Expenses	3,253,607	2,407,185
Oper. profit	$ 3,711,126	$ 2,602,648
Interest expense	83,855	223,785
Interest income	(208,980)	—
Gain on sale	(875)	(132,117)
Income before taxes	$ 3,837,126	$ 2,510,980
Income taxes	1,961,228	1,211,921
Net Income	$ 1,875,898	$ 1,299,059

* Included in Costs and Expenses, Depreciation and Amortization: $192,184 in 1981 and $141,031 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 257,103	$ 94,856
Short-term invest	1,200,000	—
Accts. receiv., net	5,418,372	3,122,899
*Inventories	4,620,688	3,672,474
Prepaid expenses	184,622	174,409
Current Assets	$ 11,680,785	$ 7,064,638
#Fixed assets	689,859	670,284
Other assets	49,617	37,456
Total Assets	$ 12,420,261	$ 7,772,378

Liabilities

Long-term debt, curr.	$ —	$ 19,721
Oblig. under cap. leases, curr.	27,302	28,574
Accts. payable	977,431	1,279,474
Accrued payroll	295,502	308,302
Accruals	295,292	258,783
Income taxes	882,790	571,956
Cust. deposits	—	24,750
Curr. Liabilities	$ 2,478,317	$ 2,491,560
Long-term debt	—	1,250,000
Oblig. under cap. leases	8,563	32,525
Deferred inc. taxes	270,700	224,900
+Common stock	262,336	232,137
Add. paid-in capital	4,312,757	329,566
Retained earnings	5,087,588	3,211,680
Total Liabilities & Shareholders' Equity	$ 12,420,264	$ 7,772,378

* At lower of cost (FIFO) or market.; in 1981 the raw market content of inventory is determined by LIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.29	16.52
%Net Income to Sales	8.94	8.55
%Net Income to Equity	19.41	34.43
Sales to Inventories	4.54	4.14
Working Capital	$9,202,468	$4,573,078
Current Ratio	4.71	2.84
Shareholders' Equity	$9,662,681	$3,773,393

Bowmar Instrument Corporation

850 Lawrence Drive
Newbury Park, California 91320
(805) 498-2161

Officers: William M. Crilly, president & chief executive officer; Richard P. Shively, exec. v.p.-operations; Lawrence A. Coulter, v.p.-finance & chief financial officer; Gene E. Beimforde, v.p.-corp. development; Edward A. White, Charles S. Krakauer, v.p.'s; Peter S. Olson, v.p.-operations planning; Stanley J. Moss, secretary; John C. Maag, controller.

Directors: James C. Marlas, chairman, Edward A. White, J. Davidge Warfield, William M. Crilly, Harry Rex Land, Jr., Fred N. Gerard, John H. Shaffer, Dan L. McGurk.

Areas of Work: Manufactures data communications products, including telephone signal converters, multifunction generators and data acquisition equipment. Also manufactures electronic communications test equipment, infrared cooking ovens, electromechanical digital displays, keyboards and thermal printers for use in industrial and medical instrumentation applications, and electromechanical components and packages, including rotating devices (gearheads, motors and motor generators), synchros, mechanical counters, resolvers, dial drives, mechanical packages, precision potentiometers, and other related devices.

Divisions:

Bowmar Instrument Aerospace Division
8000 Bluffton Road
Fort Wayne, Indiana 46809

Bowmar Commercial Products Division
4640 126th Avenue, North
Clearwater, Florida 33520

Subsidiaries:

JMR Instruments, Inc.
20621 Plummer Street
Chatsworth, Ca. 91311
(213) 882-2800

JMR Instruments Canada Ltd.
8-6320 11 Street S.E.
Calgary, Alberta, Canada T2H2L7
(403) 255-6667

Bowmar/ALI, Inc.
531 Main Street
Acton, Massachusetts 01720
(617) 263-8365

Harowe Servo Controls, Inc.
Westtown Road at West Chester Pike
West Chester, Pennsylvania 19380

Bowmar/TIC, Inc.
850 Lawrence Drive
Newbury Park, California 91320
(805) 498-2161

Bowmar Instrument Limited
43/45 High Street
Weybridge, Surrey, KT 138 BB England

Acquisition(s):

JMR Instruments, Inc.
20621 Plummer Street
Chatsworth, California 91311
(213) 882-2800

Manufactures high precision electronic land survey, site location and navigation positioning equipment utilizing signals transmitted by the U.S. Navy Transit Satellite System.

JMR Instruments, Inc.
20621 Plummer Street
Chatsworth, California 91311
(213) 882-2800

Manufactures high precision electronic land survey, site location and navigation positioning equipment utilizing signals transmitted by the U.S. Navy Transit Satellite System.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Peoples Trust Bank
Fort Wayne, Indiana

Stock Exchange(s): American

Ticker Symbol: BOM

Number of Employees:

1981	1,160	1978	816
1980	1,320	1977	815
1979	1,153		

Plant Footage:

1981	298,000 sq. ft.	1978	172,000
1980	280,000	1977	172,000
1979	280,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 42,698,000	$ 583,000
1980	38,857,000	926,000
1979	29,409,000	983,000
1978	16,577,000	728,000
1977	13,107,000	827,000

	No. of Com. Shares #	Earn. per Share ‡ #
1981	5,628,517	$ 0.10
1980	8,020,511	0.12
1979	7,998,362	0.12
1978	7,995,543	0.09
1977	4,997,232	0.17

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $78,000 ($0.02 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Electronics	$12,791	30%	$ 7,972	20.5%
Electromechanical	29,907	70	30,885	79.5
Total	$42,698	100%	$38,857	100%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 7,246,000	$ 1.65
1980	9,557,000	1.19
1979	7,871,000	0.98
1978	4,473,000	0.56

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 42,698	$ 38,857
Cost of sales	29,624	27,848
Expenses	10,896	8,646
Interest income	(718)	(199)
Interest expense	2,155	1,381
Other income	(481)	(488)
Income before taxes	$ 1,222	$ 1,669
Income taxes	639	743
Net Income	$ 583	$ 926

* Included in Costs and Expenses, Depreciation and Amortization: $737,000 in 1981 and $566,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 3,594	$ 808
Receiv., net	8,196	6,989
*Inventories	9,380	9,949
Prepaid expenses	480	618
Current Assets	$ 21,650	$ 18,364
#Fixed Assets	5,254	4,257
Other assets	925	216
Total Assets	$ 27,829	$ 22,837

Liabilities
(000's)

Loan payable	$ 83	$ 2,380
Long-term debt, curr.	841	635
Accts. payable	1,693	2,238
Accruals	2,464	2,163
Curr. Liabilities	$ 5,081	$ 7,416
Long-term debt	3,480	4,935
Convert. subord. deben	11,000	—
Deferred inc. taxes	84	—
Deferred gain	938	929
+Common stock	455	823
Add. paid-in capital	3,033	5,455
Retained earnings	3,773	3,299
Treasury stock	(15)	(20)
Total Liabilities & Shareholders' Equity	$ 27,829	$ 22,837

* At lower of cost (principally moving average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 stated value.

Statistical Summary

%Income bef. Taxes to Sales	2.86	4.30
%Net Income to Sales	1.37	2.38
%Net Income to Equity	8.05	9.69
Sales to Inventories	4.55	3.91
Working Capital	$16,569,000	$10,948,000
Current Ratio	4.26	2.48
Shareholders' Equity	$ 7,246,000	$ 9,557,000

Buck Engineering Co., Inc.

Farmingdale, New Jersey 07727
(201) 681-6200

Officers: David T. Buck, chairman of the board; Peter M. Schluter, president & chief executive officer; David Berdan, vice president-operations; Charles H. Bond, secretary & treasurer; Julius J. Denzler, Emilie R. Buck, Shirley L. Barrett, assistant secretaries.

Directors: David Berdan, Raymond A. Bowers, David T. Buck, Emilie R. Buck, Peter M. Schluter, H. Daniel Harris, Garrett B. Hunter, E.A. Savinelli.

Areas of Work: Primarily manufactures and markets educational equipment and knowledge transfer systems used in teaching electronics, mechanical and electric power technology in industrial training facilities and vocational, technical and multi-level schools and colleges. Also designs, manufactures and markets engine analysis equipment for the transportation and related energy industries.

Buck Engineering Co., Inc.

Divisions and Subsidiaries:

Lab-Volt Systems
P.O. Box 686
Farmingdale, New Jersey 07727
(201) 681-6200

Lab-Volt International
P.O. Box 686
Farmingdale, New Jersey 07727
(201) 681-6200

Lab-Volt Limited
5368 Thirteenth Avenue
P.O. Box 279-Rosemont Station
Montreal, Quebec, Canada H1X 2XB
(514) 725-9552

Lab-Volt (Quebec) Limited
2120 Lavoisier Street
Ste. Foy, Quebec, Canada G1N 4B1
(418) 681-6346

Go-Power Corporation
1890 Embarcadero Road
Palo Alto, California 94303
(415) 328-7676

Graymark International, Inc.
1751 McGaw
Irvine, California 92714
(714) 540-5480

Electronics Institute
5605 Troost Avenue
Kansas City, Missouri 64110
(816) 361-5656

Acquisition(s):

Technical Systems, Inc.
St. Paul, Minnesota
Manufactures fluid power training systems.

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUCK (NASDAQ)

Number of Employees:

1980	278	1977	223
1979	246	1976	215
1978	264		

Sales and Earnings

	Net Sales	Net Income
1980	$ 15,798,113	$ 518,367
1979	13,102,265	479,005
1978	12,414,412	426,800
1977	9,682,697	103,212
1976	9,221,036	311,164

	No. of Com. Shares#	Earn. per Share#
1980	691,738	$0.75
1979	865,790	0.55
1978	865,483	0.49
1977	865,000	0.12
1976	870,839	0.36

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 4,765,655	$6.92
1979	4,236,559	6.19†
1978	4,822,209	5.57
1977	4,389,749	5.07
1976	4,286,067	4.92

‡ Based on the weighted average number of shares outstanding.
† After redemption of 21% of outstanding stock in December 1979.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 15,798,113	$ 13,102,265
Cost of sales	8,822,086	7,432,835
Expenses	5,704,410	4,755,415
Other income	(70,109)	(85,845)
Inerest expense	419,476	228,972
Write-down of cost	11,883	11,883
Income before taxes	$ 910,367	$ 759,005
Income taxes	392,000	280,000
Net Income	$ 518,367	$ 479,005

* Included in Costs and Expenses, Depreciation: $160,655 in 1980 and $143,616 in 1979.

Assets

As of Dec. 31	1980	1979
Cash	$ 362,840	$ 368,584
Accts. receiv., net	5,119,140	3,463,824
*Inventories	3,918,923	2,929,691
Prepaid expenses	98,262	142,660
Current Assets	$ 9,499,165	$ 6,904,759
#Fixed assets	1,583,886	1,535,385
Other assets	1,203,147	1,228,474
Total Assets	$ 12,286,198	$ 9,668,618

Liabilities

Short-term borrowings	$ 801,483	$ —
Long-term debt, curr.	266,379	232,682
Pay. to redeem. stockholders	—	493,295
Accts. payable & accruals	2,912,205	1,392,239
Accrued inc. taxes	319,376	46,378
Curr. Liabilities	$ 4,299,443	$ 2,164,594
Long-term debt	2,970,789	3,000,736
Deferred inc. taxes	250,311	266,729
+Common stock	705,438	701,848
Add. paid-in capital	1,254,294	1,247,155
Retained earnings	2,861,437	2,343,070
Treasury stock	(55,514)	(55,514)
Total Liabilities & Shareholders' Equity	$ 12,286,198	$ 9,668,618

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.76	5.79
%Net Income to Sales	3.28	3.66
%Net Income to Equity	10.88	11.31
Sales to Inventories	4.03	4.47
Working Capital	$ 5,199,722	$ 4,740,165
Current Ratio	2.21	3.19
Shareholders' Equity	$ 4,765,655	$ 4,236,559

Buckbee-Mears Company

1150 American National Bank Building
St. Paul, Minnesota 55101
(612) 228-6510

Officers: Ryal R. Poppa, chairman of the board & chief executive officer; Everett F. Carter, president & chief operating officer; Carl A. Bergmann, Lewis H. Coronis, John S. Kratz, vice presidents; Arthur P. Witt, v.p. & treasurer; Edward F. Mackay, controller; Wood R. Foster, secretary; Harris Ravine, asst. secretary.

Directors: Ryal R. Poppa, chairman; William E. Ayer, Everett F. Carter, Robert W. Fischer, Donald G. McNeely, Elwood E. Mears, Norman C. Mears, Burton N. Noah, Charles S. Strauch.

Areas of Work: Manufactures and sells products in two principal industries; Ophthalmic Products—lenses for eye glasses; Precision Components—small metal and glass precision parts, flexible circuitry and printing masks for the electronics and TV industries.

Divisions and Subsidiaries:

Buckbee-Mears Co., - Micro Division
245 East Sixth Street
Saint Paul, Minnesota 55101
(612) 228-6371

Buckbee-Mears Europe-GmbH
Renkenrunsstrasse
Postfach 102
7840 Mullheim/Baden
Germany

Buckbee-Mears Precision Stamping, Inc.
2100 Lunt Avenue
Elk Grove Village, Illinois 60007
(612) 439-7580

Industrial Reproductions, Inc.
100 Northeastern Boulevard
P.O. Box 888
Nashua, New Hampshire 03060

The Vision-Ease Corporation
St. Cloud Industrial Park
P.O. Box 968
St. Cloud, Minnesota 56301
(612) 251-8782

BH Electronic, Inc.
Saint Paul, Minnesota 55101

BH Electronics, Inc.
604 Michigan Road
P.O. Box 525
Marshall, Minnesota 56258

Buckbee-Mears Export Corporation
Saint Paul, Minnesota 55101

Vision-Ease Canada, Ltd.
Toronto, Canada

Buckbee-Mears Singapore Pte. Ltd.
Singapore

Nippon Vision-Ease
Tokyo, Japan

Transfer Agent(s):

First Trust Company of St. Paul
First National Bank Building
St. Paul, Minnesota 55501

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BBEE (NASDAQ)

Number of Employees:

1981	1,658	1978	1,563
1980	1,600	1977	1,425
1979	1,700		

Plant Footage:

1981 . . . . . . 479,000 sq. ft.

Sales and Earnings

	Revenues +	Net Income
1981	$ 88,011,000	$ 3,472,000
1980	85,638,000	2,042,000
1979	75,101,000	4,339,000
1978	64,131,000	2,605,000
1977	61,961,000	1,653,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,151,000	$ 1.10
1980	3,090,000	0.66
1979	3,072,000	1.41
1978	3,066,000	0.85
1977	3,068,000	0.54

+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Ophthalmic prod.	$ 30,312	$ 29,451
Precision comp.	57,316	55,999
Other	383	188
Total	$ 88,011	$ 85,638

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.36	—	—
1980	0.30	—	—
1979	0.22	—	—
1978	0.15	—	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 35,280,000	$ 11.01
1980	32,800,000	10.72
1979	31,970,000	10.39
1978	28,260,000	9.22
1977	26,114,000	8.52

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 87,219	$ 84,855
Other income	792	783
Total income	$ 88,011	$ 85,638
Cost of sales	71,623	71,645
Expenses	8,635	7,309
Interest expense	1,511	1,494
Other charges	88	1,835
Income before taxes	$ 6,154	$ 3,355
Income taxes	2,682	1,313
Net Income	$ 3,472	$ 2,042

* Included in Costs and Expenses, Depreciation; $4,056,000 in 1981 and $4,453,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 155	$ 483
Accts. receiv., net	12,946	13,608
*Inventories	17,987	15,997
Prepaid expenses	942	455
Refund. inc. taxes	1,113	1,006
Current Assets	$ 33,143	$ 31,549
#Fixed assets	23,971	20,373
Other assets	3,231	203
Total Assets	$ 60,345	$ 52,125

Liabilities
(000's)

	1981	1980
Notes payable	$ 5,997	$ 6,620
Long-term debt, curr.	1,575	977
Accts. payable	4,040	3,989
Accruals	4,061	2,778
Accrued payroll	1,415	1,471
Income taxes	1,022	606
Curr. Liabilities	$ 18,110	$ 16,441
Long-term debt	4,291	1,297
Other liabilities	203	246
Unfunded pension	987	806
Deferred inc. taxes	1,474	535
+Common stock	341	341
Add. paid-in capital	4,484	6,389
Retained earnings	34,067	31,735
Translation component	(599)	—
Treasury stock	(3,013)	(5,665)
Total Liabilities & Shareholders' Equity	$ 60,345	$ 52,125

* At lower of cost (domestic inventories at LIFO; all others at average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.06	3.95
%Net Income to Sales	3.98	2.41
%Net Income to Equity	9.84	6.23
Sales to Inventories	4.85	5.30
Working Capital	$15,033,000	$15,108,000
Current Ratio	1.83	1.92
Shareholders' Equity	$35,280,000	$32,800,000

Bulova Watch Company, Inc.

(90.5% owned by Loews Corporation)

Bulova Park
75-20 Astoria Boulevard
Jackson Heights, New York 11370
(212) 335-6000

Officers: Harry B. Henshel, chairman of the board; Andrew H. Tisch, president; David Holman, v.p.-merchandising; John J. Carpenter, v.p.-research engineering & quality control; Lawrence F. Codraro, v.p., secretary & general counsel; George Foreman, v.p.-advertising; Jerry Josephson, v.p.-sales; James S. Waterwash, v.p.-manufacturing; Paul S. Sayegh, v.p. & controller.

Directors: Harry B. Henshel, Herbert C. Hofmann, Andrew H. Tisch, Laurence A. Tisch, Preston R. Tisch.

Areas of Work: Manufactures and sells, throughout the world, watches and clocks for consumer use and sells power cells and watch parts to the trade. Also sells nonconsumer products for defense and industrial use, including timing and similar devices.

Divisions:

Consumer Products-Domestic

Technical Sales & Services

Consumer Products-International

Industrial/Defense Divisions:
  Systems and Instruments
  Providence Division

Subsidiaries:

Atlantic Time Products Corporation
Bulova Watch Company Limited
Bulova Watch, S.p.A.
Bulova France, S.A.
Bulova Systems & Instruments Corporation

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BVA

Number of Employees:

1980	3,900	1977	5,600
1979	4,200	1976	6,500
1978	4,550		

Plant Footage:

1980	1,266,850 sq. ft.	1977	1,180,000
1979	1,266,850	1976	1,180,000
1978	1,266,850		

Sales and Earnings

	Net Sales	Net Income †
12/31/80	$188,545,000	$ (8,704,000)
12/31/79*	162,198,000	1,071,000
3/31/79	215,115,000	7,349,000
3/31/78	203,088,000	(15,456,000)
3/31/77	207,504,000	(6,987,000)

	No. of Com. Shares ‡	Earn. per Share ‡ †
12/31/80	3,921,000	$ —
12/31/79*	3,775,000	0.28
3/31/79	3,766,500	1.95
3/31/78	3,765,000	—
3/31/77	3,761,000	—

(Loss)
* 9 months.
‡ Based on the weighted average number of shares outstanding.
† Including extraordinary gains of $128,000 in 1980, $101,000 ($0.02 per share) in the nine months ended Dec. 31, 1979, and $2,552,000 ($0.68 per share) in the year ended Mar. 31, 1979.

Revenues By Line of Business
(000's)

	12/31/80	12/31/79
Consumer	$ 153,787	$ 131,495
Industrial & defense	34,758	30,703
Total	$ 188,545	$ 162,198

Common Stock Equity

	Total Equity	Equity Per Share‡
12/31/80	$ 43,648,000	$11.13
12/31/79	48,312,000	12.80
3/31/79	41,710,000	11.08
3/31/78	34,303,000	9.11
3/31/77	49,754,000	13.23

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1980	1979
Net sales	$ 188,545	$ 162,198
Cost of sales	148,510	118,581
Expenses	45,329	40,348
Other income	(4,154)	(3,461)
Foreign currency translation gains	(4)	(28)
Interest expense	4,133	5,041
Interest to affiliates	2,803	—
Gain from asset disposition	(1,918)	(547)
Income (loss) before taxes	$ (6,154)	$ 2,264
Income taxes	2,678	1,294
Net Income (Loss)	$ (8,832)	$ 970
Extraord. gain	128	101
Net Income (Loss) & extraord. gain	$ (8,704)	$ 1,071

* Included in Costs and Expenses, Depreciation: $1,353,000 in 1980 and $1,017,000 in nine months ended Dec. 31, 1979.

Assets
(000's)

As of Dec. 31	1980	1979
Cash	$ 4,898	$ 10,265
Receivables	68,147	72,752
*Inventories	73,924	63,654
Prepaid expenses	487	530
Current Assets	$ 147,456	$ 147,201
#Fixed assets	10,787	11,614
Other assets	1,094	1,485
Total Assets	$ 159,337	$ 160,300

Liabilities
(000's)

	1980	1979
Notes payable	$ 5,974	$ 9,404
Long-term debt, curr.	2,472	2,476

Accts. payable	9,883	10,762
Accruals	9,118	12,018
Accrued payroll	3,411	4,537
Contract progress collections	3,608	576
Income taxes	3,159	559
Curr. Liabilities	$ 37,625	$ 40,332
Long-term debt:		
8% Serial notes	18,451	20,736
4% Conv. subord. deb.	401	536
6% Conv. subord. deb	11,573	15,639
Mortg. payable	5,579	4,246
Other liabilities	2,710	1,999
Debt to affiliate	39,350	28,500
+ Common stock	20,146	19,602
Add. paid-in capital	13,710	10,214
Retained earnings	9,797	18,501
Treasury stock	(5)	(5)
Total Liabilities & Shareholders' Equity	$ 159,337	$ 160,300

* At lower of cost (FIFO), replacement market or net realizable value.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.40
%Net Income to Sales	—	0.60
%Net Income to Equity	—	2.01
Sales to Inventories	2.55	2.55
Working Capital	$109,831,000	$106,869,000
Current Ratio	3.92	3.65
Shareholders' Equity	$ 43,648,000	$ 48,312,000

Bunting, Inc.

46 Beatrice Street
P.O. Box 4114
Bridgeport, Connecticut 06607
(203) 384-0081

Officers: Lee Bunting, chairman of the board & chief exec. officer; Richard Bunting, president; Brose Bunting, vice president; John P. Trianovich, acting treasurer; Dorothy DeFerari, secretary.

Directors: Lee Bunting, chairman; Richard Bunting, Brose Bunting, James T. Ragan, Joseph V.Quarles, John R. Moore.

Areas of Work: Engaged in the assembling and marketing, through distributors and direct sales personnel, of various audio, visual and video electronic communications systems and television viewing systems for use in hospitals. A subsidiary, Midwest International, Inc. assembles and places coin operated television chairs in mass transportation terminals.

Subsidiaries:

RanDom TeleCommunications, Inc.
46 Beatrice Street
Bridgeport, Connecticut 06607

Midwest International, Inc.
650 Wilmington Avenue
Salt Lake City, Utah 84106

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	102	1978	115
1980	136	1977	100
1979	115		

Plant Footage:

1981	22,000 sq. ft.	1978	22,000
1980	22,000	1977	22,000
1979	22,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 4,879,115	$ 196,261
1980	6,513,448	146,374
1979	5,727,546	177,519
1978	3,737,455	84,720
1977	3,751,175	164,386

	No. of Com. Shares	Earn. per Share †
1981	694,600	$ 0.28
1980	685,100	0.21
1979	685,100	0.26
1978	685,000	0.12
1977	685,000	0.24

† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,280,302	$ 4.72
1980	3,076,751	4.49
1979	2,930,377	4.28
1978	2,752,783	4.02
1977	2,668,063	3.89

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 4,879,115	$ 6,513,448
Other income	2,249,988	1,997,894
Total Income	$ 7,129,103	$ 8,511,342
Cost of sales	5,121,506	6,421,408
Expense	1,722,114	1,634,789
Interest expense	72,057	171,750
Income before taxes	$ 279,426	$ 223,395
Income taxes	83,165	77,021
Net Income	$ 196,261	$ 146,374

* Included in Cost and Expenses, Depreciation and Amortization: $244,996 in 1981 and $223,509 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,205,430	$ 666,964
Accts. receiv., net	956,513	3,010,786
*Inventories	2,226,910	2,645,725
Prepaid expenses	91,109	87,532
Refund. inc. taxes	—	12,183
Current Assets	$ 4,479,962	$ 6,423,190
Installment accts. receiv.	145,141	296,061
#Fixed assets	989,349	927,240
Other assets	501,795	11,001
Equip. leased to others	39,319	33,316
Total Assets	$ 6,175,566	$ 7,690,808

Liabilities

Long-term debt, curr.	$ 27,286	$ 39,081
Accrued customs fees	396,000	396,000
Accts. payable	130,359	1,071,471
Accrued commissions	339,669	413,791
Income taxes	5,026	—
Deferred inc. taxes	58,258	50,919
Billings in exc. of cost	1,569,439	2,316,642
Curr. Liabilities	$ 2,526,037	$ 4,287,904
Long-term debt	4,842	15,258
Cap. lease oblig.	95,803	106,674
Deferred inc. taxes	268,582	204,221
+ Common stock	6,946	6,851
Add. paid-in capital	1,913,524	1,905,901
Retained earnings	1,360,260	1,163,999
Treasury stock	(428)	—
Total Liabilities & Shareholders' Equity	$ 6,175,566	$ 7,690,808

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Total Income	3.92	2.62
%Net Income to Total Income	2.75	1.72
%Net Income to Equity	4.76	4.76
Working Capital	$1,953,925	$2,135,286
Current Ratio	1.77	1.50
Shareholders' Equity	$3,280,302	$3,076,751

Burndy Corporation

Richards Avenue
Norwalk, Connecticut 06856
(203) 838-4444

Officers: David Dibner, chairman of the board; Richard C. Farley, president; George M. Szabad, sr. v.p. & secretary; Ernest Fanwick, general counsel; James J. Hennessy, v.p.-marketing; Steve Hobar, v.p.-operations; Donald F. Keating, v.p.-personnel & industrial relations; Frederick H. McLenaghan, v.p.; F. Jack Miller, v.p., marketing-TERMAC; Ramon V. Nicholl, v.p.-management systems and services; Howard Pedersen, v.p. & chief financial officer; Alan H. Peltz, treasurer; William A. Pfau, v.p. & controller; Richard M. Silven, group v.p.-Components; Anthony T. Thomas, v.p.-TERMAC; Theodore York, group v.p.-Power; Henry P. Dupre, v.p., engineering-Power Division; Michael Lazar, v.p., new product development-Components Division; Brian Mills, v.p., operations-Power Group; Thomas H. Pluff, v.p., sales & marketing-Power Division; James B. Stiven, v.p. & controller-Power Group.

Directors: David Dibner, chairman; George M. Szabad, Carlyle F. Barnes, John P. Horgan, Paul Holton, J.E. Goldman, Richard C. Farley, Billy C. Christensen.

Areas of Work: The Company designs, manufactures and sells electrical and electronic connectors and related products. Products range from microminiature components for use in sophisticated electronic equipment to very large electrical connectors used by utilities in the generation, transmission and distribution of electric power. Most sales are made to original equipment manufacturers.

Subsidiaries:

Husky Products, Inc.
Florence, Kentucky

The Berco Manufacturing Co.
Waterbury, Connecticut

Burndy Canada Ltd.
Scarborough, Ontario, Canada

Burndy Electra N.V.
Antvon Spinoystraat, 8
Mechelen, Belgium

Burndy Limited
St. Albans, England

Burndy do Brasil Conetores Ltda.
Estrada do Guarapirange, 2,400
Caixa Postal 30806
Sao Paulo 1, Brazil

Burndy Mexico, S.A. de C.V.
Calle del Rio No. 12
Naucalpan de Juarez
Estado de Mexico

Burndy-Japan Ltd. (affiliate)
9th Floor, T.O.C. Bldg.
22-17, 7-chome Nishigotanda
Sinagawa-Ku, Tokyo-141
Japan

Burndy Electra SpA
Stada del Francese 137
C.P. 130 Ferrovia
10100, Torino, Italy

Burndy Espanol
Calle Vilamari 81
Barcelona 15, Spain

Burndy S.A.
39-41 rue Amilcar Cipriani
93-St. Ouen, France

Burndy Elektro GmbH
Max Langstrasse 56
7022 Leinfelden-Stuttgart
Germany

Burndy Electra A.G.
Hertistrasse 23
8304 Wallisellen
Switzerland

Burndy Svenska A/B
61101 Nykoping
Stockholm, Sweden

Burndy Nederland N.V.
Delftsevaart 26
Rotterdam, Netherlands

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): New York

Ticker Symbol: BDC

Number of Employees:

1981	4,698	1978	4,676
1980	4,529	1977	4,226
1979	5,133		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 256,764,000	$ 32,839,000
1980	253,703,000	23,336,000
1979	229,818,000	21,054,000
1978	180,604,000	15,384,000
1977	155,146,000	12,444,000

	No. of Com. Shares +	Earn. per Share +
1981	12,442,000	$ 2.64
1980	12,531,000	1.86
1979	12,462,000	1.69
1978	12,514,000	1.23
1977	12,656,000	0.98

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning "Foreign Currency Translation".
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.63	—	2-for-1
1980	0.54	—	—
1979	0.47	—	—
1978	0.38	—	—
1977	0.33	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity #

	Total Equity +	Equity Per Share +
1981	$ 133,422,000	$ 10.72
1980	118,360,000	9.45
1979	102,706,000	8.24
1978	85,775,000	6.85
1977	76,358,000	6.03

Restated to reflect change in accounting method.
+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 256,764,000	$ 253,703,000
Cost of sales	150,393,000	146,187,000
Expenses	60,654,000	60,421,000
Interest expense	3,515,000	4,703,000
Nonrecurring gain on sale of assets	(11,895,000)	—
Income before taxes	$ 54,097,000	$ 42,392,000
Income taxes	24,008,000	20,583,000
Minority interest	(2,750,000)	(1,527,000)
Net Income	$ 32,839,000	$ 23,336,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,444,000 in 1981 and $7,488,000 in 1980.
‡ Restated to reflect change in accounting method.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 40,155,000	$ 17,457,000
Accts. receiv., net	51,913,000	47,058,000
*Inventories	59,302,000	60,004,000
Prepaid expenses	1,209,000	1,073,000
Current Assets	$ 152,579,000	$ 125,592,000
Investments	3,969,000	9,192,000
#Fixed assets	55,373,000	53,942,000
Other assets	4,262,000	4,842,000
Intangibles	1,411,000	718,000
Total Assets	$ 217,594,000	$ 194,286,000

Liabilities

Notes payable	$ 18,897,000	$ 16,179,000
Long-term debt curr.	3,649,000	2,362,000
Accts. payable & accruals	22,786,000	21,182,000
Accrued payroll	7,989,000	7,093,000
Income taxes	4,241,000	3,405,000
Curr. Liabilities	$ 57,562,000	$ 50,221,000
Long-term debt	17,893,000	20,790,000
Deferred inc. taxes	7,416,000	3,808,000
Deferred retirement	1,301,000	1,107,000
+Common stock	13,136,000	6,568,000
Add. paid-in capital	4,791,000	11,250,000
Retained earnings	130,606,000	105,616,000
Cumulative translation adjustments	(2,558,000)	270,000
Treasury stock	(12,553,000)	(5,344,000)
Total Liabilities & Shareholders' Equity	$ 217,594,000	$ 194,286,000

‡ Restated to reflect change in accounting method.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	21.07	16.71
%Net Income to Sales	12.79	9.20
%Net Income to Equity	24.61	19.72
Sales to Inventories	4.33	4.23
Working Capital	$ 95,017,000	$ 75,371,000
Current Ratio	2.65	2.50
Shareholders' Equity	$133,422,000	$118,360,000

Burroughs Corporation

Burroughs Place
Detroit, Michigan 48232
(313) 972-7000

Officers: W. Michael Blumenthal, chairman of the board & chief executive officer; DuRay E. Stromback, president & chief operating officer; Jerome Jacobson, vice chairman; Clarence W. Spangle, Paul G. Stern, Thomas E. Winter, Donald E. Young, executive v.p.'s; William P. Conlin, Philip S. Dauber, George E. Mueller, Eugene F. Smith, senior vice presidents; William J. Beckham, Jr., A. Finley France, Jean L. Frenais, Robert F. Holmes, George R. Johnson, Roger W. Johnson, Stanley Jones, Leon J. Level, Eric V. McGlone, Fred R. Meier, Eugene L. Merlino, Jr., Robert D. Merrell, Robert J. O'Connell, John W. O'Leary, Ben L. Rouse, Donald M. Swan, Jr., William TenBrink, Jack F. Thompson, James A. Unruh, vice presidents; Kenneth L. Miller, v.p. & secretary; David J. Rynne, v.p. & controller; Cam R. Stark, treasurer; Rajaballi K. Pradhan, general auditor; James J. Biundo, James M. Carl, asst. treasurers; James B. LeDuc, asst. controller; Walter J. Williams, asst. secretary.

Directors: W. Michael Blumenthal, chairman of the board; Charles F. Barber, James C. Fletcher, Martha W. Griffiths, Jerome Jacobson, Wade H. McCree, Jr., Paul S. Mirabito, Alan E. Schwartz, Arthur R. Seder, Jr., Harold T. Shapiro, DuRay E. Stromback, Robert M. Surdam, Thomas E. Winter, Martha W. Griffiths, Jerome Jacobson.

Operating Groups & Divisions:

Business Machines Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7330

Markets Burroughs systems and equipment and provides customer support services throughout the United States.

International Group
Burroughs Place, P.O. Box 330-A
Detroit, Michigan 48232
(313) 972-7432

Markets Burroughs systems and equipment and provides customer support services outside the United States. Manufactures and markets business forms and supplies in Burroughs international markets.

Federal and Special Systems Group
P.O. Box 517
Paoli, Pennsylvania 19301
(215) 648-3411

Markets Burroughs systems and equipment and provides support services to the U.S. Government. Also engineers and manufactures special systems and equipment and markets them in the U.S. and overseas.

Office Products Group
P.O. Box 910
Rochester, New York 14603
(716) 271-3400

Designs, engineers, and manufactures in the United States, Burroughs line of businesss forms, office supplies and documents encoding, signing and protecting equipment. Also develops, manufactures and markets graphic communications equipment and work processing equipment in the U.S. and overseas.

Computer Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9687

Engineers and manufactures Company's very large, large, medium-scale, and small scale systems.

Components Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7232

Engineers and manufactures component products including integrated circuit assemblies; printed circuit boards; keyboards, fabricated parts; cables and other interconnection devices; and power supplies for use in Burroughs systems and equipment.

Terminal Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9337

Engineers and manufactures terminal systems and products, electronic calculatorts and adding machines.

Program Products Division
Radnor, Pennsylvania

Develops line-of-business application software for all standard products.

Micro-Components Organization
16701 70 Bernardo Drive
San Diego, California 92127
(714) 487-3000

Engineers and manufactures semiconductor products including integrated circuit logic and memory, and develops advanced microcircuitry for use in Burroughs products.

Burroughs Corporation

Office Systems Group
Danbury, Connecticut
Develops, manufactures and markets office automation products, including facsimile and optical character recognition products, word processing and retrieval products.

Communications and Networks Group
Burroughs Place
Detroit, Michigan 48232
Develops a variety of communications and network systems including distributed data processing systems, interfaces to public and private networks and local network distribution systems.

Document Information Systems Group
Burroughs Place
Detroit, Michigan 48232
Engineers and manufactures encoders, printers, and document reader-sorters.

Display Division
Plainfield, New Jersey
Manufactures and markets on an OEM basis plasma displays.

Subsidiaries:

Burroughs Export Corporation
100 West Tenth Street
Wilmington, Delaware

Burroughs Information Systems, Ltd.
Wilmington, Delaware

Burroughs Inter-America, Limited
Wilmington, Delaware

Burroughs International Company
Wilmington, Delaware

Burroughs Properties, Inc.

Compania Burroughs de Maquinas Limitada
Ingeniero Heurgo 965
Buenos Aires, Argentina

Burroughs Limited
P.O. Box 464
North Sydney, NSW, Australia 2060

Burroughs Datenverarbeitung Gesellschaft m.g.H.
Moering Gasse 10
A-1151 Vienna, Austria

Compangnie Belge Burroughs, S.A.
12 Ave de Broqueville
(Angles Rue du Duc 100)
1150 Brussels, Belgium

Burroughs Electronica Ltda.
Caixa Postal 1410-ZC00
Rio De Janeiro, Est. Da Guanabara
Brazil

Burroughs de Chile, S.A.
Casilla de Correo 14285
Santiago, Chile

Burroughs de Columbia, S.A.
Apartado Aereo 53433
Bogota de Columbia

Burroughs de Centro America, S.A.
Apartado 2837
San Jose, Costa Rica

Burroughs Data Systemer A/S
Jydeholmen 15
2720 Van Lose
Copenhagen, Denmark

Societe Anonyme Burroughs
230-242 Avenue Laurent Cely
Boite Postale 50
92231-Gennevilliers (Hauts de Seine)
France

Burroughs Machines Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs G.m.b.H.
Frankfurter Allee-14-20
D6236, Eschborn, Germany

Burroughs B.V.
Prof EM, Meyerslaan 2-4
P.O. Box 48
Amstelveen, Holland

Burroughs Machines (Hong Kong) Ltd.
B300, Black 'B', Watson's Estate
Watson Road
North Point, Hong Kong

Burroughs Italiana S.p.A.
Via Cernaia 2
20121 Milan, Italy

Burroughs Machines Limited
P.O. Box 40572
Nairobi, Kenya

Compania Burroughs Mexicana, S.A.
Ave Ejercito Nacional 1005
Mexico 10, D.F., Mexico

Burroughs Limited

P.O. Box 30354
Lower Hutt, New Zealand

Burroughs A/S
P.O. Box 40-Bestun
Oslo 2, Norway

Burroughs Limited
P.O. Box 343, Makati, Rozal 3117
Manila, Philippines

Burroughs Europe-Africa Marketing Limited
Middlesex, England

TATA Burroughs Ltd.
Manish Commercial Centre-5th Floor
Dr. Anni E. Seasant Rd.
Worli, Bombay 400-025, India

Burroughs, Inc.
G.P.O. Box 3308
San Juan, Puerto Rico 00936

Burroughs Machines, Limited
Burroughs House
P.O. Box 2316
Salisbury, Rhodesia

Burroughs Machines, Limited
P.O. Box 3996
Johannesburg, Transvaal, South Africa

Burroughs AB
Banergatan 10
S-11522 Stockholm, Sweden

Burroughs (Schweiz) A.G.
P.O. Box 2067
8023 Zurich, Switzerland

Burroughs International S.A.
18, Rue St. Pierre
1700 Fribourg, Switzerland

Burroughs S.A.
General Davila 7
Madrid-3, Spain

Burroughs Compania Anonima
Apartado 70116-Los Ruices
Caracas, Venezuela

Burroughs Caribbean Limited
P.O. Box 69
Cross Roads
Kingston 5, Jamaica, W.I.

Burroughs Electronica (Portugal) S.A.R.L.
Rua Gregorio Lopes, Lote 1514
Lisboa-3 (Restelo) Portugal

Burroughs Business Machines, Ltd.
801 York Mills Road
Don Mills, Ontario, M3B 1X8 Canada

Burroughs Bahamas Ltd.
P.O. Box ES6266
Dowdswell Street
Nassau, Bahamas

Galactic Assurance Group Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Formularios e Suprimentos Burroughs Ltda.
Rio De Janeiro, Est. de Guanbara, Brazil

Burroughs Leasing Company Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs Co., Ltd.
Hanzomon Building
7.1 chome, Kojimachi
Chiyoda Ku, Tokyo
102, Japan

Burroughs Computer Systeme Gesellschaft m.b.H.
Tauchlaben, 7a
1010 Vienna 1, Austria

Ubique Assurance Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Burroughs Hellas S.A.
121 Sygrov Avenue
Athens 405, Greece

Burroughs, S.A. de C.V.
Ejercito Nacional 1005
Mexico, D.F. Mexico

Industrias Mexicanas Burroughs, S.A. de C.V.
Guadalajara Jalisco, Mexico

Espirales, S.A.
VBIA Espana 200
Panama 5, Republic of Panama

Burroughs Overseas Limited

Burroughs OEM Corporation

Burroughs OEM Marketing Corporation

Burroughs Pacific Finance Limited

Memorex Corporation
San Tomas at Central Expressway:
Santa Clara, California 95052
(408) 987-1000
Manufacutres and markets information storage equipment, magnetic recording media and communications equipment.

Burroughs S.A.
Via Espana 200
Panama 5, Republic of Panama

Burroughs A.G.
Fribourg, Switzerland

Burroughs Europe-Africa, Inc.

Burroughs Latin America, Inc.

Burroughs Pacific, Inc.

Acquisition(s):

Memorex Corporation (December 3, 1981)
Santa Clara, California

Systems Research Incorporated

Transfer Agent(s):

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): New York, Chicago, Cincinnati, Los Angeles, San Francisco, London, Amsterdam, Antwerp, Basel, Brussels, Geneva, Lausanne, Zurich.

Ticker Symbol: BGH

Number of Employees:

1981	67,000	1978	54,638
1980	57,300	1977	51,295
1979	56,509		

Plant Footage:

1981	11,388,360 sq.ft.	1978	8,037,000
1980	*	1977	8,190,000
1979	*		

* Not Available.

Sales and Earnings

	Net Sales	Net Income
1981	$1,950,282,000	$ 148,926,000
1980	1,613,668,000	81,972,000
1979	1,624,861,161	305,536,269
1978	1,384,217,207	253,363,618
1977	1,180,834,874	215,179,580

	No. of Com. Shares #	Earn. per Share #
1981	41,641,000	$ 3.58
1980	41,287,000	1.99
1979	41,027,534	7.45
1978	40,802,549	6.21
1977	40,546,955	5.31

# Based on average number of shares outstanding.

Revenues By L!ne of Business
(000's)

	1981	1980
Large & medium computer systems	$ 1,254,800	$ 1,015,200
Small computer systems & business mini-computers	625,400	652,100
Field engineering services	837,800	746,100
Business forms & office supplies	384,500	379,500
Custom products electronic components	216,000	64,400
Other income	86,900	45,100
Total	$ 3,405,400	$ 2,902,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.60	—	—
1980	2.60	—	—
1979	2.10	—	—
1978	1.50	—	—
1977	0.90	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$2,180,076,000	$ 51.88
1980	2,125,026,000	51.19
1979	2,135,511,342	51.84
1978	1,900,691,669	46.41
1977	1,694,789,395	41.61

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,950,282	$ 1,613,668
Rentals & service revenue	1,368,209	1,243,518
Other income	86,937	45,170
Total Income	$ 3,405,428	$ 2,902,356
Cost of sales	1,176,596	920,773
Cost of rentals & service	719,764	722,554
Expenses	1,109,864	1,043,284
Research & develop.		
Interest expense	145,078	81,373
Income before taxes	$ 254,126	$ 134,372
Income taxes	105,200	52,400
Net Income	$ 148,926	$ 81,972

* Included in Costs and Expenses, Depreciation: $303,527,000 in 1981 and $247,704,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 9,064	$ 23,370
Marketable securities	46,028	35,113
Accts. & notes receiv., net	1,052,433	906,637
*Inventories	1,074,902	972,007
Prepaid expenses	119,878	96,834
Current Assets	$ 2,302,306	$ 2,033,961
Long-term receiv.	385,730	349,366
Rental equip.	912,153	830,968
#Fixed assets	606,178	517,381
Other assets	233,033	123,018
Total Assets	$ 4,439,400	$ 3,854,694

Liabilities
(000's)

	1981	1980
Notes payable	$ 397,442	$ 513,910
Long-term debt, curr.	31,343	106,548
Accts. payable	397,104	270,641
Customers' deposits	154,893	155,685
Accrued payroll	163,752	107,922
Dividends payable	27,681	26,982
Income taxes	110,681	18,800
Other taxes	69,408	66,379
Curr. Liabilities	$ 1,352,154	$ 1,266,867
Long-term debt	804,341	372,455
Deferred inc. taxes	102,829	90,346
+Common stock	210,317	207,756
Add. paid-in capital	448,144	436,041
Retained earnings	1,522,030	1,481,644
Treasury stock	(415)	(415)
Total Liabilities & Shareholders' Equity	$ 4,439,400	$ 3,854,694

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Total Income	7.46	4.63
%Net Income to Total Income	4.37	2.82
%Net Income to Equity	6.83	3.86
Working Capital	$ 950,152,000	$ 767,094,000
Current Ratio	1.70	1.61
Shareholders' Equity	$2,180,076,000	$2,125,026,000

Butler National Corporation

8246 Neiman Road
Lenexa, Kansas 66214
(913) 888-8585

Officers: Leonard E. Lindquist, chairman of the board; Gerald R. Smith, president; Thomas Hilleary, v.p.-research & development; Eugene R. Rhue, v.p. & dir. of operations; R.J. Fitzgerald, secretary; Willard Lang, treasurer.

Directors: Leonard E. Lindquist, chairman; Carl H. Almond, Gerald R. Smith, Frank O. Butler, II.

Areas of Work: Manufactures and sells avionics equipment, navigation and communication devices. Primary products are a ground based distance measuring equipment (DME) station and an airborne switching unit. Also manufactures synthesized voice computers, pipeline monitoring systems and emergency notification systems.

Subsidiaries:

Cansas International Corporation
Engaged in aircraft modification.

Transfer Agent(s):

Northwestern National Bank
7th & Marquette
Minneapolis, Minnesota 55401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUTL (NASDAQ)

Number of Employees:

1981	70	1979	65
1980	65		

Plant Footage:

1981 ...... 22,000 sq. ft.

Sales and Earnings

	Net Sales †	Net Income +
1981	$ 3,203,000	$ (376,533)
1980	3,531,000	37,724
1979	2,183,000	(32,021)
1978	2,183,000	71,842
1977	1,349,000	(173,839)

	No. of Com. Shares	Earn. Per Share # +
1981	2,732,717	$ —
1980	2,729,867	0.02
1979	2,274,517	—
1978	2,367,196	0.03
1977	2,303,863	—

(Loss)
† Of continuing operations only.
# Based on weighted average number of shares outstanding.
+ Including extraordinary credits of $18,700 ($0.01 per share) in 1980, $10,900 in 1979, and $27,700 ($0.01 per share) in 1978.

Revenues By Line of Business

	1981	1980
Avionics	$ 2,016,231	$ 2,872,200
Automatic dialing alarm supt.	586,646	408,078
Aircraft modification	480,061	174,341
Other	119,607	76,469
Total	$ 3,202,545	$ 3,530,988

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 714,831	$ 0.26
1980	1,088,692	0.40
1979	507,077	0.22
1978	631,777	0.27
1977	515,560	0.22

Income Account *

Year ended April 30	1981	1980
Net sales	$ 3,202,545	$ 3,530,988
Cost of sales	1,751,466	2,200,848
Expenses	1,435,079	1,154,738
Interest expense	244,554	120,375
Interest income	(4,318)	(1,403)
Income (loss) before taxes	$ (224,234)	$ (56,430)
Income taxes	—	25,300
Inc. (loss)-cont. oper.	$ (224,234)	$ 31,130
Loss-discont. oper.	(152,299)	(12,106)
Net Income (Loss)	$ (376,533)	$ 19,024
Extraordinary gain	—	18,700
Net Income (Loss) & Extraordinary gain	$ (376,533)	$ 37,724

* Included in Costs and Expenses, Depreciation and Amortization: $55,641 in 1981 and $57,242 in 1980.

Butler National Corporation

Assets

As of April 30	1981	1980
Cash	$ 28,944	$ 19,524
Accts. receiv., net	549,660	673,214
Receiv. from officer	70,308	—
*Inventories	1,907,701	1,475,220
Prepaid expenses	36,123	19,978
Current Assets	$ 2,592,736	$ 2,187,936
Contract receiv.	93,665	—
#Fixed assets	233,414	268,452
Intangibles	251,403	414,544
Other assets	24,185	22,145
Total Assets	$ 3,195,403	$ 2,893,077

Liabilities

	1981	1980
Long-term debt. curr.	$ 23,844	$ 272,032
Notes payable to stockholder	—	50,000
Accts. payable	405,723	729,014
Accruals	169,171	193,012
Curr. Liabilities	$ 598,738	$ 1,244,058
Long-term debt	1,881,834	560,327
+Common stock	279,480	279,195
Add. paid-in capital	9,093,849	9,091,462
Deficit	(8,596,419)	(8,219,886)
Treasury stock	(62,079)	(62,079)
Total Liabilities & Shareholders' Equity	$ 3,195,403	$ 2,893,077

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	—	1.75
Sales to Inventories	1.68	2.52
Working Capital	$1,993,998	$ 943,878
Current Ratio	4.33	1.76
Shareholders' Equity	$ 714,831	$1,088,692

CAE Industries Ltd.

Suite 3060, P.O. Box 30
Royal Bank Plaza
Toronto, Ontario, M5J 2J1, Canada
(416) 865-0700

Officers: R. Fraser Elliott, chairman of the board; C. Douglas Reekie, president and chief executive officer; Frank van de Water, v.p.-finance and secretary; David H. Race, v.p.-operations; Frederick C. Fraser, v.p.-corp. relations; Donald M. Derosin, comptroller & asst. secretary.

Directors: R. Fraser Elliott, chairman; C. Douglas Reekie, W.M. Anderson, Peter D. Curry, H. Heward Stikeman, P.L.P. Macdonnell, G. Drummond Birks, Pierre Cote, Ward C. Pitfield, E. Jacques Courtois, J.D. Creighton, J.W. McCutcheon, Michael M. Koerner.

Areas of Work: Designs and manufactures commercial and military aircraft flight simulators; complete supervisory control systems for petroleum, nuclear power plant, heavy water and hydro industries; magnetic anomaly detection and compensation equipment for submarine detection and geophysical exploration; provides complete electronics and avionics instrument and equipment repair, overhaul, installation and calibration services in Montreal and Stolberg, West Germany. A division in Edmonton manufactures major components for modern jet aircraft; develops, manufactures and installs complete aircraft interiors and avionics packages; maintains and overhauls a variety of aircraft types; manufactures filament wound fiberglass pipes and tanks for the pulp and paper, petroleum and chemical industries. A division in Winnipeg provides aircraft repair, overhaul, modification services and aircraft component manufacturing. CAE also manufactures railway journal bearings and bearing lubricators; produces bronze and aluminum castings for a wide variety of customers, including the auto industry; manufactures sawmill and other machinery for the lumber industries; screen plates for the pulp and paper, mining and textile industries; ferrous metal castings for many uses, and provides metal and nonmetal plating services. The company also manufactures ferrous metal abrasives for all types of applications and zinc, magnesium and aluminum die cast products for the automotive and other industries. It also sells and distributes a range of machine tools, industrial equipment and construction and forestry equipment coast-to-coast in Canada.

Subsidiaries:

CAE Machinery Ltd.
3550 East Broadway
Vancouver, B.C., Canada
(604) 299-3431

USP Industries Inc.
72 Queen Street
Lennoxville, Quebec, Canada
(814) 562-4754

Welmet Industries Limited
31 King Street
Welland, Ontario, Canada
(416) 734-7462

Northwest Industries Limited
Industrial Airport
P.O. Box 517
Edmonton, Alberta, Canada
(403) 455-3161

Canadian Bronze Company Limited
15 Bury Street
Winnipeg, Manitoba, Canada
(204) 786-6821

CAE Lubricators Div.
1140 Montee de Liesse Road
St. Laurent 377, Quebec, Canada
(514) 341-6780

CAE Electronics Ltd.
8585 Cote de Liesse Road
St. Laurent 377, Quebec, Canada
(514) 341-6780

CAE Aircraft Ltd.
P.O. Box 1700
Winnipeg International Airport
Winnipeg 1, Manitoba, Canada
(204) 755-0131

Webster Mfg. (London) Limited
1161 King Street
London, Ontario, Canada
(519) 455-1220

CAE Magnesium Products Div.
Strathroy, Ontario Canada
(519) 245-4040

Accurcast Die Casting Limited
333 Arnold Street
Wallaceburg, Ontario, Canada
(519) 627-1441

CAE-Morse Ltd.
195 Brunswick Boulevard
Pointe Claire, Quebec, Canada
(514) 694-2850

CAE Fiberglass Products Division
Guelph, Ontario, Canada
(519) 836-1070

CAE Electronics GmbH
Stolberg, Aachen West Germany

Cleveland-CAE Metal Abrasive Limited
650 Rushmore Road
Welland, Ontario, L3B 5R4 Canada
(416) 735-4691

CAE-Montupet DieCast Ltd.
15 Yale Cr.
St. Catharines, Ontario, Canada
(416) 688-6611

CAE Metals Ltd.
Welland, Ontario, Canada
(416) 735-3430

Transfer Agent(s):
Montreal Trust Company
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CAE

Number of Employees:

1982	4,238	1979	4,000
1981	4,460	1978	3,410
1980	4,225		

Plant Footage:

1982	2,300,000 sq. ft.	1979	2,200,000
1981	2,300,000	1978	2,000,000
1980	2,250,000		

Sales and Earnings

	Revenue +	Net Income #
1982	$ 283,930,000	$ 4,407,000
1981	261,512,000	9,938,000
1980	213,181,000	8,662,000
1979	173,774,000	6,425,000
1978	150,782,000	1,711,000

	No. of Com. Shares ‡	Earn. per Share ‡#
1982	17,421,546	$ 0.25
1981	17,300,856	0.57
1980	17,209,371	0.50
1979	17,103,171	0.36
1978	18,947,079	0.09

+ Of continuing operations only.
# Including extraordinary gains of $6,020 ($0.35 per share) in 1982, $299,000 ($0.01 per share) in 1981, $323,000 ($0.02 per share) in 1980, $726,000 ($0.05 per share) in 1979 and extraordinary loss of $2,503,000 ($0.13 per share) in 1978.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1982	$0.200	—	3-for-1
1981	0.166	—	—
1980	0.100	—	3-for-1
1979	0.082	—	—
1978	0.064	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 45,501,000	$ 2.61
1981	44,329,000	2.56
1980	37,359,000	2.17
1979	30,409,000	1.78
1978	28,923,000	1.47

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended March 31	1982	1981
Revenue	$ 283,930	$ 292,615
Cost of sales & expenses	268,676	261,512
Depreciation & amortization	6,511	5,392
Interest expense (income)	(3,866)	(577)
Income from cont. oper.	$ 12,609	$ 11,292
Income (loss) from discont'd oper.	(1,317)	865
Income before taxes	$ 11,292	$ 10,845
Income taxes	865	1,206

Net Income	$ 10,427	$ 9,639
Extraord. item	(6,020)	299
Net Income & Extraord. Item	$ 4,407	$ 9,938

Assets
(000's)

As of March 31	1982	1981
Cash	$ 25,300	$ 22,597
Accts. receiv., net	60,919	60,176
*Inventories	131,297	118,348
Prepaid expenses	2,341	1,428
Net assets of discont. operation	3,382	11,279
Current Assets	$ 223,239	$ 212,928
#Fixed assets	47,555	46,202
Other assets	11,874	6,058
Total Assets	$ 282,668	$ 266,088

Liabilities
(000's)

Bank indebtedness	$ 3,537	$ 8,188
Long-term debt, curr.	944	1,205
Accts. payable & accruals	52,544	54,266
Gov't of Canada loan	3,900	3,900
Income & other taxes	2,228	2,801
Deferred taxes	—	736
Deposits on contracts	152,483	126,937
Curr. Liabilities	$ 215,636	$ 198,033
Long-term debt	20,739	21,320
Minority interest	792	2,406
+Capital stock	5,972	5,782
Retained earnings	39,529	38,547
Total Liabilities & Shareholders' Equity	$ 282,668	$ 266,088

* At lower of average cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	21.74
Working Capital	$ 7,603,000	$15,055,000
Current Ratio	1.04	1.08
Shareholders' Equity	$45,501,000	$44,329,000

California Microwave, Inc.

990 Almanor Avenue
Sunnyvale, California 94086
(408) 732-4000

Officers: David B. Leeson, president & chief executive officer; Gilbert F. Johnson, exec. v.p.-operations & president—Defense Products Division and Satellite Communications Division; Howard Oringer, v.p. & president-Telecommunications Division; David E. Hershberg, v.p. & president Satellite Transmission Systems, Inc.; George L. Spillane, v.p.-finance & chief financial officer; Frederic P. Storke, v.p.-engineering & chief technical officer.

Directors: David B. Leeson, chairman, Robert A. Helliwell, Franklin P. Johnson, Jr., Gilbert F. Johnson, Oswald G. Villard, Jr., Philip F. Otto, Daniel J. McGanney, Jr.

Areas of Work: Active in four related product areas— telecommunications signal sources, satellite earth station converters, radar test equipment and defense communication converters.

Subsidiaries:

California Microwave International
Sunnyvale, California 94086
(408) 732-4000

Satellite Transmission Systems, Inc.
80 Oser Avenue
Hauppauge, New York 11787
(516) 231-1919

Transfer Agent(s):

Crocker National Bank
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMIC (NASDAQ)

Number of Employees:

1981	994	1978	715
1980	694	1977	663
1979	865		

Plant Footage:

1981	248,000 sq. ft.	1978	209,000
1980	223,000	1977	199,000
1979	233,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 56,971,000	$ 2,521,000
1980	38,066,000	158,000
1979	40,036,000	2,368,000
1978	33,167,000	1,889,000
1977	26,061,000	1,496,000

	No. of Com. Shares #	Earn. per Share #
1981	4,737,000	$ 0.53
1980	4,124,000	0.04
1979	4,054,000	0.58
1978	3,944,000	0.48
1977	3,822,000	0.39

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Telecommunications prods.	$18,961	33%	$17,778	47%
Defense Prods.	13,533	24	14,464	38
Satellite Commun. prods.	24,477	43	5,824	15
Total	$56,971	100%	$38,066	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	100%	—
1980	—	—	—
1979	—	50%	—
1978	—	50%	—
1977	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 23,147,000	$ 4.48
1980	11,237,000	2.76
1979	10,600,000	2.66
1978	7,885,000	2.05
1977	5,826,000	1.55

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 56,971,000	$ 38,066,000
Cost of sales	43,547,000	28,472,000
Expenses	8,251,000	8,758,000
Interest expense	437,000	813,000
Income before taxes	$ 4,736,000	$ 23,000
Income taxes (credit)	2,215,000	(135,000)
Net Income	$ 2,521,000	$ 158,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,149,000 in 1981 and $922,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 682,000	$ 544,000
Short-term investments	1,950,000	—
Accts. receiv., net	9,596,000	6,772,000
Refund. inc. taxes	—	956,000
*Inventories	13,647,000	8,834,000
Prepaid expenses	248,000	187,000
Current Assets	$ 26,123,000	$ 17,293,000
# Fixed assets	7,423,000	5,505,00
Other assets	3,695,000	1,166,000
Total Assets	$ 37,241,000	$ 23,964,000

Liabilities

Long-term debt. curr.	$ 500,000	$ 500,000
Accts. payable	5,882,000	2,544,000
Accruals	4,379,000	2,407,000
Income taxes	2,458,000	301,000
Curr. Liabilities	$ 13,219,000	$ 5,752,000
Long-term debt	875,000	6,975,000
+ Common stock	1,292,000	509,000
Add. paid-in capital	11,378,000	2,756,000
Retained earnings	10,713,000	8,192,000
Unamortized stock plan	(236,000)	(220,000)
Total Liabilities & Shareholders' Equity	$ 37,241,000	$ 23,964,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. taxes to Sales	8.31	—
%Net Income to Sales	4.43	0.42
%Net Income to Equity	10.89	1.41
Sales to Inventories	4.37	4.31
Working Capital	$12,904,000	$11,541,000
Current Ratio	1.98	3.01
Shareholders' Equity	$23,147,000	$11,237,000

Cambex Corporation

(formerly Cambridge Memories, Inc.)

360 Second Avenue
Waltham, Massachusetts 02154
(617) 890-6000

Officers: Joseph F. Kruy, chairman of the board & president; Ronald R. Bresnahan, v.p. & treasurer; Edward G. Fassino, Shaun McConnon, v.p.'s; John E. Beard, clerk.

Directors: Joseph F. Kruy, Myron A. Angier, C.V. Ramamoorthy, Philip C. Hankins.

Areas of Work: Designs, develops, manufactures and markets memory systems used with large-scale computers and with minicomputers in both the end-user and original equipment markets; manufactures and markets a series of computer systems that are compatible with several models of the IBM system 1370 and 4300 computer families; markets memory subsystems and components for incorporation into a variety of digital products manufactured by others.

Subsidiaries:

Cambridge Memories International, Inc.
Waltham, Massachusetts

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CBEX (NASDAQ)

Number of Employees:

1981	120

Cambex Corporation

Plant Footage:

1981	61,000 sq. ft.	1979	61,000
1980	61,000	1978	61,000

Sales and Earnings

	Revenues	Net Income +
1981	$ 8,047,755	$ 435,119
1980	4,046,577	201,070
1979	8,164,415	114,992
1978	10,195,459	2,454,269
1977	7,214,452	4,229,780

	No. of Com. Shares †	Earn. per Share + †
1981	1,820,000	$ 0.24
1980	1,775,000	0.11
1979	1,791,000	0.06
1978	1,818,524	1.35
1977	1,747,740	2.42

(Loss)

+ Including extraordinary credits of $157,000 ($0.09 per share) in 1981, $922,251 ($0.52 per share) in 1980, $1,779,920 ($0.98 per share) in 1978, $3,758,000 ($2.15 per share) in 1977.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,037,739	$ 1.67
1980	2,583,393	1.46
1979	2,324,394	1.30
1978	2,177,083	1.20
1977	(282,062)	—

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31	1981	1980
Revenues	$ 8,047,755	$ 4,046,577
Cost of sales	5,462,451	5,407,590
Expenses	2,053,230	2,592,053
Oper. income (loss)	$ 532,074	$ (3,953,066)
Interest income	(52,659)	(73,856)
Gain on IPL trans.	—	(3,030,865)
Interest expense	121,614	154,419
Minority interest	—	(281,583)
Income (loss) bef. taxes	$ 463,119	$ (721,181)
Income taxes	185,000	—
Net Income (Loss)	$ 278,119	$ (721,181)
Extraord. gain	157,000	922,251
Net Income (Loss) & extraord. gain	$ 435,119	$ 201,070

* Included in Costs and Expenses, Depreciation and Amortization: $365,615 in 1981 and $366,023 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 485,963	$ 658,900
Receiv., net	1,315,634	1,021,280
*Inventories	3,139,726	3,259,408
Prepaid expenses	76,293	57,288
Current Assets	$ 5,017,616	$ 4,996,876
Leased equip.	45,587	61,932
#Fixed assets	1,314,808	1,233,534
Other assets	37,830	37,830
Total Assets	$ 6,415,841	$ 6,330,172

Liabilities

Notes payable	$ —	$ 1,000
Long-term debt, curr.	591,866	926,492
Accts. payable	1,061,367	848,738
Accruals	1,146,924	1,436,383
Accrued payroll	82,351	84,806
Accrued interest	4,411	1,893
Accrued inc. taxes.	42,000	84,000
Other taxes	55,357	78,144
Curr. Liabilities	$ 2,984,276	$ 3,461,456
Long-term debt	393,826	285,323
+Common stock	183,688	181,938
Add. paid-in capital	10,695,046	10,677,569
Retained earnings (deficit)	(7,782,625)	(8,217,744)
Treasury stock	(58,370)	(58,370)
Total Liabilities & Shareholders' Equity	$ 6,415,841	$ 6,330,172

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

%Income bef. taxes to Revenues	5.75	—
%Net Income to Revenue	3.46	—
%Income to Equity	9.16	—
Working Capital	$2,033,340	$1,535,420
Current Ratio	1.68	1.44
Shareholders' Equity	$3,037,739	$2,583,393

Canadian General Electric Company Limited

(91.9% owned by General Electric Company)

P.O. Box 417
Commerce Court North
Toronto, Ontario, Canada M5L 1J2
(416) 862-5500

Officers: Alton S. Cartwright, chairman of the board & chief executive officer; Victor L. Clarke, v.p. & corp. exec.-corporate strategic planning & development; David F. Abel, v.p.-corp. strategic planning & review; Francis Moskal, v.p.-corporate manufacturing planning & review; Peter E. Pashler, v.p.-corporate technology; Ivan R. Feltham, v.p.-external affairs, general counsel & secretary; Kenneth L. Brow, v.p.-corporate relations & Western Canada; Archibald F. Johnston, v.p.-public affairs & government relations; Carl B. Haller, v.p.-finance; William J. Briggs, v.p. & treasurer; V. Gerold Stafl, v.p. & comptroller; Terrance W. Sutherland, v.p.-corporate human resource operation.

Directors: William F. McLean, MacKenzie McMurray, James A. Baker, Steele Curry, Frank P. Doyle, Robert R. Frederick, Terence E.McClary, Alexander M. Wilson, Walter G. Ward, Alton S. Cartwright, Robert B. Kurtz, H. Ian Macdonald, Maurice Lamontagne, Antoine Turmel, Denis W. Timmis.

Divisions:

Consumer and Construction Products Division

Manufactures, markets and services television, radios, stereos, kitchen and laundry appliances, room air conditioners, and portable electric housewares. Manufactures lamps. Manufactures and markets electric distribution equipment and devices, wire and cable, heating equipment, lighting equipment, cemented carbide tools, plastics, synthetic resins and silicones. Markets mobile radios, aerospace products and computer time-sharing services. Distributes electrical products to wholesale trade.

Apparatus and Heavy Machinery Division

Designs, manufactures, markets and services heavy apparatus for electric utilities and primary industries-turbines, generators, switchgear, circuit-breakers, transformers, electrical distribution equipment, process control equipment, motors, paper machines, grinding and rolling mills, mining machinery, drive systems, and other heavy machinery and components. Other products include transportation equipment, nuclear reactor fuel handling systems, meters, instruments and installation and service engineering.

Subsidiaries:

Genelcom Limited
Dominion Engineering Works Limited
Dominion Engineering Company Limited
Amalgamated Electric Corporation, Limited
Canadian General Electric International Limited
N.C. Joseph Limited
Widney Well Servicing (1971) Limited
Smith and Stone Limited (34% equity interest)
Montreal Armature Company Limited
W.L. Stevens, Ltd
Cange Limited
Genelcan Limited

Transfer Agent(s):

National Trust Company, Limited
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: CGET

Number of Employees:

1981	19,987	1978	18,662
1980	20,549	1977	18,823
1979	19,767		

Plant Footage:

1981	9,600,000 sq. ft	1978	9,600,000
1980	9,600,000	1977	9,600,000
1979	9,600,000		

Sales and Earnings

	Net Sales ‡‡	Net Income
1981	$1,700,102,000	$ 51,120,000
1980	1,465,871,000	44,926,000
1979	1,338,730,000	38,330,000
1978	1,103,965,000	33,612,000
1977	2,079,727,000	30,534,000

	No. of Com. Shares	Earn. per Share #
1981	8,178,800	$ 6.25
1980	8,178,800	5.49
1979	8,178,800	4.69
1978	8,178,800	4.11
1977	8,178,800	3.73

‡ ‡ Includes sales of products and services.

# Based on the number of common shares outstanding assuming conversion of all cumulative convertible preferred shares.

Revenues By Line of Business

	1981	1980
Elec. apparatus & components	$ 858,536,000	$ 739,542,000
Consumer prods. & services	538,226,000	498,961,000
Machinery, technical syst. & materials	352,522,000	270,036,000
Eliminations	(38,174,000)	(32,982,000)
Total	$1,711,110,000	$1,475,557,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.95	—	—
1980	1.80	—	—
1979	1.75	—	—
1978	1.60	—	—
1977	1.55	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1981	$ 435,551,000	$ 53.25
1980	400,381,000	48.95
1979	370,176,000	45.26
1978	341,468,000	41.75
1977	320,945,000	39.24

† After allowing for preferred shares at redemption value of $50 per share.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales & services	$ 1,700,102	$ 1,465,871

Cost of sales & exp.	1,564,140	1,354,176
Depreciation	32,747	29,443
Interest expense	22,104	12,591
Misc. taxes	11,067	10,856
Other income	(11,008)	(9,686)
Income before taxes	$ 81,052	$ 68,491
Income taxes	28,490	22,629
Minority interest	1,442	936
Net Income	$ 51,120	$ 44,926

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 7,323	$ 4,550
Receiv., net	281,958	276,793
*Inventories	416,457	381,947
Deferred taxes	22,030	19,327
Current Assets	$ 727,768	$ 682,617
Investments	11,547	9,700
Long-term, receiv.	31,055	36,051
#Fixed assets	239,982	193,062
Deferred charges & other assets	27,943	35,281
Total Assets	$ 1,038,295	$ 956,711

Liabilities
(000's)

Short-term borrowings	$ 31,097	$ 58,900
Accts. payable	134,126	105,568
Progress collections	134,894	134,954
Taxes payable	14,330	4,684
Dividends payable	4,090	3,681
Other liabilities	139,158	126,875
Curr. Liabilities	$ 457,695	$ 434,662
Long-term borrowings	59,302	54,269
Accruals	32,968	30,095
Minority interest	11,198	9,747
Deferred inc. taxes	41,548	27,504
+ Preferred stock	26,942	26,942
+ + Common stock	42	53
Retained earnings	408,609	373,439
Total Liabilities & Shareholders' Equity	$ 1,038,295	$ 956,711

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ $50 par value, special employees cumulative.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.77	4.67
%Net Income to Sales	3.01	3.06
%Net Income to Equity	11.74	11.22
Working Capital	$270,073,000	$247,955,000
Current Ratio	1.59	1.57
Shareholders' Equity	$435,593,000	$400,434,000

Canadian Marconi Company

2442 Trenton Avenue
Montreal, Quebec, Canada, H3P 1Y9
(514) 341-7630

Officers: E.O. Herzfeld, vice chairman; R.J. Williams, president & chief exec. officer; W. Baillie, sr. v.p. & mgr.-products & markets; P.E. Wheatley, sr. v.p. & chief financial officer; J.A. Howlett, v.p.-organization & personnel; J.G. McInnes, comptroller; J. Simons, v.p.-Avionics Div.; J.W. Dodds, v.p.-Special Services Div.; G. Gorfinkel, v.p.-Marine & Land Communications Div.; C. Filiatrault, v.p., secretary & general counsel; C. St. Arnaud, v.p.-Telecommunications Division; G. Stourup, treasurer.

Directors: S. Dobb, H.J. Lang, I.D. Sinclair, E.O. Herzfeld, T.S. Dobson, R. Telford, J.E. Panneton, R.J. Williams, R.O. Beauchemin.

Areas of Work: Engaged in the manufacture of highly engineered electronic products for defense and civil use.

Divisions:

Avionics Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and servicing of Airborne Doppler Navigation systems, automatic Omega receivers. Area Navigation systems, Satellite position location equipment, aircraft instrumentation displays. Manufacturing and marketing printed wiring boards.

Marine & Land Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and serviceing of mobile two-way radio and associated base station equipment, marine radar; VHF-FM marine radio telephones; HF single sideband transmitter-receivers. Marketing and servicing of hand held radio telephones, radio and television broadcast station equipment and electronic test instruments.

Special Services Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Installs radar, communications and air navigation equipment and systems, and operates defense communications and detection systems. Operates repair and overhaul shops for radar, sonar, communications equipment and diesel electric generators, and an approved test equipment repair and calibration laboratory.

Telecommunications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing and marketing for commercial and military land-based microwave communications equipment, ancillaries, and associated supporting test equipment.

Components Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Designs, manufactures and markets electronic components including multi-layer printed circuit boards, thin film, thick film and hybrid microcircuits, magnetic devices, illuminated panels, alpha-numeric displays and power supplies.

Radar Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Develops, manufactures and markets surveillance radar transmitter/receivers, antennas, signal processing equipment and systems for commercial and military use on land and sea.

Subsidiary:

CMC Electronics, Inc.
1900 North Beauregad St.
Suite 103
Alexandria, Virginia 22311
(703) 820-6767

Transfer Agent(s):

Canada Permanent Trust Company
600 Dorchester Boulevard West
Montreal, Canada H3B 1N6

Stock Exchange(s): American, Montreal, Toronto

Ticker Symbol: CMW (American), CMCM (Montreal), CMCT (Toronto)

Number of Employees:

1981	2,500	1978	2,010
1980	2,200	1977	2,010
1979	2,000		

Sales and Earnings ‡

	Revenues	Net Income	No. of Com. Shares	Earn. per Share
1981	129,417,000	13,547,000	5,943,192	2.28
1980	112,830,000	12,170,000	5,943,192	2.05
1979	84,223,000	7,603,000	5,943,192	1.28
1978	57,252,000	4,184,000	5,943,192	0.70
1977	58,325,000	2,068,000	5,943,192	0.35

‡ In Canadian dollars.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.50	—	—
1980	0.425	—	—
1979	0.265	—	—
1978	0.2125	—	—
1977	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 70,221,000	$ 11.82
1980	59,645,000	10.04
1979	50,001,000	8.41
1978	43,973,000	7.40
1977	41,052,000	6.91

Income Account *
(000's)

Year ended March 31	1981	1980
Revenues	$ 129,417	$ 112,830
Cost & expenses	103,788	90,454
Depreciation	2,785	1,959
Interest expense	259	301
Income before taxes	$ 22,585	$ 20,116
Income taxes	9,038	7,946
Net Income	$ 13,547	$ 12,170

Assets
(000's)

As of March 31	1981	1980
Cash	$ 1,799	$ 2,769
Investments	50,083	41,892
Accts. receiv., net	19,884	13,700
Sundry Debtors	1,982	1,313
*Inventories	24,448	22,749
Prepaid expenses	327	276
Current Assets	$ 98,523	$ 82,699
# Fixed assets	13,088	10,029
Total Assets	$ 111,611	$ 92,728

Liabilities
(000's)

Accts. payable & accruals	$ 31,558	$ 23,389
Owing to assoc. cos.	168	394
Income taxes	3,965	3,704
Curr. Liabilities	$ 35,691	$ 27,487
Long-term debt:		
5¾% Unsec. deb.	2,305	2,621
7% Unsec. deb.	1,340	1,629
Deferred inc. taxes	2,054	1,346
+ Capital stock	10,216	10,216
Retained earnings	60,005	49,429
Total Liabilities & Shareholders' Equity	$ 111,611	$ 92,728

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	17.45	17.83
%Net Income to Revenues	10.47	10.79

%Net Income to Equity	19.29	20.45
Working Capital	$62,832,000	$55,212,000
Current Ratio	2.76	3.01
Shareholders' Equity	$70,221,000	$59,645,000

Canrad-Hanovia, Inc.

100 Chestnut Street
Newark, New Jersey 01705
(201) 589-4300

Officers: John F. Reed, chairman of the board; Carl Krieger, president; Harry J. Shutt, sr. v.p. & treasurer; William R. McGill, controller & asst. secretary; Daniel P. Lund, secretary; Joseph Linett, v.p.-corporate marketing.

Directors: John F. Reed, chairman; James N. Arbury, Henry C. Breck, Arthur O. Choate, Jr., Carl Krieger, Philip Le Boutillier, Jr., David Van Alstyne, Jr., Lowell Wadmond.

Divisions and Subsidiaries:

Hanovia
Newark, New Jersey
Designs, develops and produces plasma arc lamps and related equipment including commercial and industrial ultraviolet products.

Strong Electric Corporation
Toledo, Ohio
Designs, develops and manufactures projection systems and high intensity lighting equipment.

Ballantyne of Omaha, Inc.
Omaha, Nebraska
Manufactures 35mm and 70mm movie projectors, sound equipment, and theater automation equipment and a line of restaurant equipment.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CNRD (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income †
1981	$ 20,207,000	$ 837,000
1980	19,276,000	1,211,000
1979	18,236,000	(1,126,000)
1978	16,479,000	510,000
1977	15,316,000	599,000

	No. of Com. Shares	Earn. per Share #
1981	816,000	$ 0.80
1980	816,000	1.17
1979	816,000	—
1978	816,000	0.46

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $106,000 in 1977.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Ultraviolet products	$ 9,997,654	$ 9,132,716
Theatre & restaurant prods.	6,167,019	8,282,941
Other	1,042,814	1,860,142
Total	$ 20,207,487	$ 19,275,799

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 4,878,606	$ 5.98
1980	4,171,331	5.11
1979	3,090,728	3.79
1978	4,347,084	5.33

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 20,207,487	$ 19,275,799
Cost of sales	14,359,135	13,946,936
Expenses	4,112,883	3,663,058
Interest expense	294,296	352,715
Income before taxes	$ 1,441,173	$ 1,313,090
Income taxes	677,400	591,000
Income from cont. oper.	$ 763,773	$ 722,090
Income from discont. oper.	73,602	488,623
Net Income	$ 837,375	$ 1,210,713

* Included in Costs and Expenses, Depreciation and Amortization: $205,884 in 1981 and 174,223 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 115,332	$ 158,080
*Accts. receiv., net	2,708,665	2,143,079
*Inventories	6,271,471	6,020,285
Other curr. assets	153,400	255,253
Current Assets	$ 9,248,868	$ 8,576,697
#Fixed assets	1,804,520	1,412,966
Other assets	84,413	82,497
Intangibles	513,388	536,005
Total Assets	$ 11,651,189	$ 10,608,165

Liabilities

Long-term debt, curr.	$ 19,214	$ 181,354
Accts. payable	1,387,518	1,162,278
Accruals	1,057,970	1,156,717
Income taxes	58,240	303,623
Curr. Liabilities	$ 2,522,942	$ 2,803,972
Long-term debt	1,740,110	1,457,328
Deferred inc. taxes	397,100	36,000
Excess of vested benefits	117,431	144,534
+Preferred stock	1,995,000	1,995,000
+ +Common stock	612,101	612,102
Add. paid-in capital	4,638,193	4,638,192
Deficit	(371,688)	(1,078,963)
Total Liabilities & Shareholders' Equity	$ 11,651,189	$ 10,608,165

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value.
+ + $0.75 par value.

Statistical Summary

%Net Income to Equity	12.18	19.63
Sales to Inventories	3.22	3.20
Working Capital	$6,725,926	$5,772,725
Current Ratio	3.67	3.06
Shareholders' Equity	6,873,606	$6,166,331

Carco Electronics

195 Constitution Drive
Menlo Park, California 94025
(415) 321-8174

Officers: John M. Carter, president; William M. Schultz, vice president-administration; Samuel R. Curless, vice president-manufacturing; William M. Spont, vice president-technical asst.; John A. Watson, vice president-engineering; Stephen M. Nevins, asst. treasurer; Helen D. Carter, secretary; Rochelle R. Kowalchik, assistant secretary.

Directors: John M. Carter, Emmet G. Cameron, Albert H. Haas, Robert P. Nelson, Jr., Richard T. Orth.

Areas of Work: Two major product lines are flight motion simulators and microwave test systems.

Transfer Agent(s):

Wells Fargo Bank
Redwood City, California

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	60	1978	50
1980	44	1977	45
1979	48		

Plant Footage:

1981	20,000 sq. ft.	1978	20,000
1980	20,000	1977	20,000
1979	20,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 5,033,774	$ 458,801
1980	2,391,458	(30,571)
1979	2,064,823	(75,629)
1978	2,559,924	110,053
1977	2,707,318	150,104

	No. of Com. Shares +	Earn. per Share ‡
1981	660,000	$ 1.14
1980	193,825	—
1979	192,025	—
1978	189,400	0.56
1977	185,800	0.80

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
+ Class A and Class B combined.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$—	—	—
1980	—	—	—
1979	0.15	—	—
1978	0.15	—	—
1977	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 1,333,901	$ 2.02
1980	870,234	4.49
1979	898,405	4.68
1978	999,825	5.28
1977	913,691	4.92

+ Based on Class A and Class B stock combined.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 5,033,774	$ 2,391,458
Cost of sales	3,008,540	1,912,230
Expenses	1,121,306	536,899
Income (loss) before taxes	$ 903,928	$ (57,671)
Income taxes (credit)	445,127	(27,100)
Net Income (Loss)	$ 458,801	$ (30,571)

* Included in Costs and Expenses, Depreciation: $12,656 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 548,358	$ 57,712
Accts. receiv.	736,201	544,045
Costs & earn. in exc. of billing	1,429,604	201,589

*Inventories	121,164	292,968
Prepaid expenses	24,567	6,334
Deferred inc. taxes	43,700	—
Current Assets	$ 2,903,594	$ 1,102,648
#Fixed assets	65,381	69,355
Other assets	6,638	6,928
Total Assets	$ 2,975,613	$ 1,178,931
Liabilities		
Accrued income taxes	$ 495,600	$ —
Accts. payable	430,462	131,724
Accruals	710,138	166,861
Curr. Liabilities	$ 1,636,200	$ 298,585
Deferred inc. taxes	5,512	10,112
+Capital stock:		
Class A	34,538	33,456
Class B	15,000	15,000
Add. paid-in capital	277,218	273,434
Retained earnings	1,007,145	548,344
Total Liabilities & Shareholders' Equity	$ 2,975,613	$ 1,178,931

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.25 stated value.

Statistical Summary

%Income bef. Taxes to Sales	17.96	—
%Net Income to Sales	9.11	—
%Net Income to Equity	34.40	—
Sales to Inventories	41.55	8.16
Working Capital	$1,267,394	$804,063
Current Ratio	1.77	3.69
Shareholders' Equity	$1,333,901	$870,234

CCI Corporation

P.O. Box 51500
Tulsa, Oklahoma 74151
(918) 836-0151

Officers: Robert L. Zeligson, chairman of the board; J.M. Klein, president; Robert B. Wyland, v.p.; D.M. Hardin, v.p.-finance; A.F. Ringold, secretary.

Directors: Robert L. Zeligson, J.B. Montgomery, David D. Levy, T.F. Walkowicz, Raymond F. Kravis, J.M. Klein, Robert L. Barbanell, Donald M. Hardin, Edwin Wienecke, Robert B. Wyland, William H. Kendall.

Divisions and Subsidiaries:

The Marquardt Company
16555 Saticoy Street
Van Nuys, California 91409
(213) 781-2121

Advanced propulsion research, development and production, attitude control rocket engines. Aerospace controls and accessories; proprietary ordnance devices; new product development.

Crane Carrier Group

Crane Carrier Company
1925 N. Sheridan Rd.
Tulsa, Oklahoma 74151
(918) 836-1651

Fabrication Plant
1150 North Peoria Avenue
Tulsa, Oklahoma 74104

Marketing Division
Tulsa, Oklahoma

Equipment carriers; material hauling carriers; OEM dealer and direct sales; lease, rental and full maintenance leasing.

Parts Division
4707 N. Mingo Road
Tulsa, Oklahoma 74117

Operates nationwide parts depots.

Carrier Leasing Corporation
1925 N. Sheridan Rd.
Tulsa, Oklahoma 74151

Safetran Systems Corporation
505 West Ormsby Avenue
Louisville, Kentucky 40203

7721 National Turnpike
Louisville, Kentucky 40214
(502) 361-8459

Rail-highway protection devices; railroad signals and controls; maintenance-of-way equipment transportation; transportation product development; transportation communication systems; signal rectifiers and transformers heavy-duty metal castings.

Electro-Mechanical Division
4650 Main Street NE
Minneapolis, Minnesota 55421
(612) 560-4400

7721 National Turnpike
Louisville, Kentucky 40214
(502) 361-8459

Electronic Division
9271 Arrow Highway
Cucamonga, California 91730
(714) 987-4673

Transportation Engineering Services Company
7721 National Turnpike
Louisville, Kentucky 40214

Safetran Traffic Systems, Inc.
1485 Garden of the Gods Road
Colorado Springs, Colorado 80933

Mining and Urban Transit Signal and Control Division
314 East Burnett
Louisville, Kentucky 40217

Transfer Agent(s):

Bank of Oklahoma
One Williams Center
Tulsa, Oklahoma 74102

Manufacturers Hanover Trust Company
350 Park Avenue
New York, New York 10022

Stock Exchange(s): New York, Pacific

Ticker Symbol: CCI

Sales and Earnings

	Net Sales +	Net Income
1981	$ 267,320,000	$ 10,158,000
1980	257,725,000	9,785,000
1979	234,717,000	13,999,000
1978	213,674,000	6,522,000
1977	168,175,000	3,539,000

	No. of Com. Shares #	Earn. per Share #
1981	6,252,000	$ 1.62
1980	6,234,000	1.57
1979	6,221,000	2.25
1978	5,521,000	1.18
1977	4,624,000	0.77

(Loss)
+ Includes other income; of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Heavy-duty trucks	$ 148,831,000	$ 126,421,000
Aerospace	48,666,000	56,705,000
Railroad transportation	67,718,000	74,315,000
Corporate	2,105,000	284,000
Total	$ 267,320,000	$ 257,725,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 72,004,000	$ 11.52
1980	61,366,000	9.84
1979	51,486,000	8.28
1978	37,219,000	6.74
1977	21,515,000	4.65

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended April 30	1981	1980
Net sales & other income	$ 267,320	$ 257,725
Cost of sales	201,370	197,648
Expenses	38,898	35,561
Interest expense	8,603	6,690
Income before taxes	$ 18,449	$ 17,826
Income taxes	8,142	7,675
Equity in loss of uncons. subs.	149	366
Net Income	$ 10,158	$ 9,785

* Included in Costs and Expenses, Depreciation and Amortization: $3,156,000 in 1981 and $2,804,000 in 1980.

Assets
(000's)

As of April 30	1981	1980
Cash	$ 36,391	$ 6,381
Receiv., net	34,746	33,362
Deferred tax benefits	—	3,404
*Inventories	73,448	80,184
Prepaid expenses	579	375
Current Assets	$ 145,164	$ 123,706
Invest. in unconsol. leasing subsid.	1,369	1,337
Due from unconsol. leasing subsid.	1,199	311
#Fixed assets	30,679	25,896
Other assets & defer. charges	3,421	2,572
Intangibles	8,844	8,964
Total Assets	$ 190,676	$ 162,786

Liabilities
(000's)

Notes payable	$ —	$ 7,000
Long-term debt, curr.	1,274	1,073
Accts. payable	24,989	22,044
Accruals & other liabilities	18,047	17,867
Curr. Liabilities	$ 44,310	$ 47,984
Deferred income taxes	1,102	3,347
Other	2,335	3,337
Long-term debt	70,925	46,752
+Common stock	3,147	3,114
Add. paid-in capital	23,623	23,176
Retained earnings	46,130	35,972
Treasury stock	(41)	(41)
Officers' notes receiv.	(855)	(855)
Total Liabilities Shareholders' Equity	$ 190,676	$ 162,786

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.90	6.92
%Net Income to Sales	3.80	3.80

%Net Income to Equity	14.11	15.95
Working Capital	$100,854,000	$75,722,000
Current Ratio	3.28	2.58
Shareholders' Equity	$ 72,004,000	$61,366,000

Centronics Data Computer Corp.

Hudson, New Hampshire 03051
(603) 883-0111

Officers: Robert Howard, chairman of the board & chief executive officer; John Tincler, president & chief operating officer; Neil Kleinfeld, v.p.-marketing, planning & asst. secretary; Robert Murphy, v.p.-human resources; Robert Kilcullen, v.p.-Quietwriter products; Ralph Eichsteadt, v.p.-field engineering; Warren E. Allen, Jr., v.p.-sales; Terrence Harris, v.p.-European Operations; Hector Pineiro, v.p.-Centronics Puerto Rico; Robert Stein, sr. v.p.-finance & treasurer; J. Gerard Cregan, v.p.-operations; Edward Corell, v.p.-research & development; Jeffrey Weinstein, secretary & general counsel; Richard W. Northup, v.p.-materials.

Directors: Robert Howard, chairman; Emanuel Litwin, Martin Cohen, John Tincler, Jeffrey Weinstein, Herbert M. Stein, William Seltz, Jeremiah Sundell.

Areas of Work: Designs, manufactures and markets matrix and line printers, teleprinters and non-impact printers for the computer, data processing and communications industries.

Subsidiaries:

Centronics Export Sales Corp.
Centronics Sales and Service Corp.
Centronics Data Computer (France) S.A.
Centronics Data Computer(UK) Ltd.
Centronics Data Computer GmbH
Centronics of Puerto Rico, Inc.
Centronics (Canada) Ltd.
Centronics Distributing Ltd.
Centronics International Corp.
Centronics Sales Corp.
Centronics Financial Corp.
Centronics Ireland B. V.
Centronics Data Computer (Italia) SpA
Centronics Manufacturing of Puerto Rico, Inc.
Centronics Service & Maintenance (Italia) S.r.L.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: CEN

Number of Employees:

1981	2,250	1978	1,780
1980	2,800	1977	1,300
1979	2,600		

Plant Footage:

1981	590,000 sq. ft.	1978	550,000
1980	596,000	1977	244,000
1979	600,000		

Sales and Earnings

	Net Revenues	Net Income
1981	$ 123,927,000	$ (24,544,000)
1980	130,691,056	18,007,748
1979	121,532,724	18,386,410
1978	75,018,308	13,731,514
1977	58,037,445	12,546,151

	No. of Com. Shares	Earn. per Share ‡
1981	6,066,412	$ —
1980	5,970,722	3.01
1979	5,857,477	3.10
1978	5,801,819	2.35
1977	5,783,000	2.08

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.30	—	—
1980	1.00	—	—
1979	1.00	—	—
1978	1.00	—	—
1977	0.68	—	5-for-4 #

‡ Adjusted to reflect stock split.
# In the form of a 25% stock distribution.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 47,862,000	$ 7.89
1980	73,878,915	12.37
1979	60,126,429	10.26
1978	46,754,339	8.06
1977	38,492,321	6.66

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Revenues	$ 123,927,000	$ 130,691,056
Cost of sales	95,287,000	80,510,548
Inventory charge	9,600,000	—
Expenses	34,443,000	25,299,985
Interest expense	11,566,000	10,584,775
Income (loss) before taxes	$ (26,969,000)	$ 14,295,748
Tax credit	(2,425,000)	(3,712,000)
Net Income (Loss)	$ (24,544,000)	$ 18,007,748

* Included in Costs and Expenses, Depreciation, $3,912,000 in 1981 and $2,999,295 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 2,113,000	$ 2,809,235
Accts. receiv., net	28,843,000	40,377,453
*Inventories	48,051,000	59,355,447
Prepaid expenses & other assets	1,374,000	1,308,783
Deferred taxes	—	746,909
Current Assets	$ 80,381,000	$ 104,597,827
#Fixed assets	27,477,000	27,669,717
Other assets	33,727,000	35,762,692
Total Assets	$ 141,585,000	$ 168,030,236

Liabilities

Notes payable	$ 11,843,000	$ 12,888,731
Long-term debt, current	3,409,000	3,401,494
Accts. payable	7,867,000	7,007,821
Accruals	11,322,000	6,972,801
Dividends payable	—	1,492,378
Income taxes	5,256,000	4,477,175
Curr. Liabilities	$ 39,697,000	$ 36,240,400
Long-term debt	54,026,000	56,902,114
Deferred inc. taxes	—	1,008,807
+Common stock	61,000	59,707
Add. paid-in capital	10,191,000	9,866,678
Retained earnings	37,610,000	63,952,530
Total Liabilities & Shareholders' Equity	$ 141,585,000	$ 168,030,236

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	10.94
%Net Income to Revenues	—	13.78
%Net Income to Equity	—	24.37
Working Capital	$40,684,000	$68,357,427
Current Ratio	2.02	2.89
Shareholders' Equity	$47,862,000	$73,878,915

Cessna Aircraft Company

5800 Pawnee Road
P.O. Box 1521
Wichita, Kansas 67201
(316) 685-9111

Officers: Russell W. Meyer, Jr., chairman of the board & president; Charles B. Husick, sr. v.p.-fluid power & aircraft systems divisions; Robert P. Bauer, sr. v.p.-finance; Robert L. Lair, sr. v.p.-marketing; William L. Worford, sr. v.p.-personnel & community relations; Homer G. Nester, v.p. & controller; Pierre Clostermann, v.p.; David R. Edwards, secretary.

Directors: Sheldon Coleman, William L. Dibble, Donald C. Slawson, Kenneth J. Wagnon, Delbert L. Roskam, Dwane L. Wallace, Robert P. Bauer, Robert L. Lair, Russell W. Meyer, Jr.

Areas of Work: Manufactures prop & jet commercial aircraft and jet fighters for military use, and handles contract work for airplane components. Engaged in the manufacture of avionics, propellers and other accessories for general aviation; produces airborne navigation, communication, aircraft guidance and radar response devices and systems. Also manufactures fluid power systems and products, including hydraulic cylinders, valves and controls, pumps and complete hydraulic systems for agricultural, industrial equipment and materials handling manufactures.

Divisions:

Pawnee Division
Wichita, Kansas 67102

Wallace Division
Wichita, Kansas 67201

Fluid Power Division
P.O. Box 1028
Hutchinson, Kansas 76501
(316) 662-5411

McCauley Accessory Division
3535 McCauley Drive
P.O. Box 430
Dayton, Ohio 45377
(513) 890-5246

Aircraft Marketing Division
Boonton, New Jersey 07005
(201) 334-1800

Citation Marketing Division
Wichita, Kansas 76201

Subsidiaries:

Cessna Finance Corporation
P.O. Box 308
Wichita, Kansas 76201
(316) 685-5456

Cessna International Finance Corp.
P.O. Box 2078
Wichita, Kansas 67201
(316) 685-3705

Cessna Fluid Power Limited
Glenrothes, Scotland

Reims Aviation, S.A.
Reims, France

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Fourth National Bank & Trust Company
P.O. Box 1090
Wichita, Kansas 67201

Stock Exchange(s): New York, Pacific

Ticker Symbol: CEA

Number of Employees:

1981	15,838	1978	16,993
1980	18,024	1977	16,065
1979	18,956		

Sales and Earnings

	Net Sales	Net Income
1981	$1,060,097,076	$ 60,566,222
1980	1,000,060,521	28,121,554
1979	939,311,000	45,954,547
1978	759,354,256	35,599,395
1977	620,472,369	36,936,809

	No. of Com. Shares +	Earn. per Share #
1981	19,202,552	$ 3.19
1980	18,674,482	1.51
1979	18,654,755	2.47
1978	18,504,011	1.95
1977	17,969,354	2.09

+ Adjusted to reflect stock dividend and stock split.
# Based on weighted average number of common shares outstanding adjusted to reflect stock dividend and stock split.

Revenues By Line of Business

	1981	1980	1979	1978
Aircraft products	90%	87%	87%	88%
Fluid power products	10	13	13	12
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.60	—	—
1980	0.59	—	—
1979	0.76	5%	—
1978	0.68	—	2-for-1
1977	0.57	—	—

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 345,577,975	$ 18.00
1980	290,013,951	15.53
1979	272,267,230	14.60
1978	238,975,754	12.91
1977	211,361,625	11.76

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Sept. 30	1980	1979
Net sales	$1,000,060,521	$ 939,311,010
Other income	17,497,122	10,694,353
Total income	$1,017,557,643	$ 950,005,363
Cost of sales	823,757,070	737,771,386
Expenses	78,210,176	73,568,448
Depreciation	8,937,055	8,167,527
Interest expense	26,279,785	17,057,687
Misc. taxes	25,234,554	23,333,768
Income before taxes	$ 55,139,554	$ 90,106,547
Income taxes	27,018,000	44,152,000
Net Income	$ 28,121,554	$ 45,954,547

Assets

As of Sept. 30	1980	1979
Cash	$ 11,243,660	$ 10,750,579
Accts. & notes receiv., net	85,413,792	91,691,705
* Inventories	282,716,440	288,616,785
Deferred inc. tax benefits	13,985,000	12,052,000
Prepaid expenses	316,849	905,112
Current Assets	$ 393,675,741	$ 404,016,181
Investments	80,157,508	63,140,033
# Fixed assets	81,675,133	73,901,679
Defer. charges & other assets	27,517,624	22,170,359
Total Assets	$ 583,026,006	$ 563,228,252

Liabilities

Notes payable	$ 35,000,000	$ 32,000,000
Long-term debt, curr.	2,411,250	2,467,500
Accts. payable	50,073,309	64,129,620
Accruals	87,528,616	79,356,942
Customer deposits	60,717,214	45,370,014
Income taxes	1,880,416	12,227,446
Curr. Liabilities	$ 237,610,805	$ 235,551,522
Long-term debt	37,525,250	40,215,500
Deferred inc. taxes	17,876,000	15,194,000
+ Common stock	18,711,202	17,793,473
Add. paid-in capital	66,947,770	50,714,663
Retained earnings	207,758,059	207,549,503
Treasury stock	(410,363)	(214,114)
Restricted stock plan	(2,992,717)	(3,576,295)
Total Liabilities & Shareholders' Equity	$ 583,026,006	$ 563,228,252

* At lower of cost (LIFO) or estimated value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.51	9.59
%Net Income to Sales	2.81	4.89
%Net Income to Equity	9.70	16.88
Sales to Inventories	3.54	3.25
Working Capital	156,064,936	168,464,659
Current Ratio	1.66	1.72
Shareholders' Equity	290,013,951	272,267,230

Cetec Corporation

9900 Baldwin Place
El Monte, California 91731
(213) 442-8840

Mailing Address:

P.O. Box 5348
El Monte, California 91734

Officers: Robert A. Nelson, president & chief executive officer; Rodney C. Minium, vice president; George M. McCollister, secretary & treasurer; Theodore J. Budzan, Paul E. Sexton, asst. secretaries.

Directors: Hugh P. Moore, chairman; Richard A. Campbell, Robert C. Sherburne, John E. Fields, Richard C. Fuller, Robert A. Nelson, Frederick E. Witt.

Areas of Work: Major business segments include communications and related products, electronics and industrial products. Operations in the communications segment consist primarily of the design, manufacture and marketing of radio broadcasting equipment, professional audio duplicating equipment and loudspeakers. The electronics segment manufactures and markets automatic pilots to the boating industry and markets software services and distributes electronic components to other equipment manufacturers. The industrial segment produces rigid, semi-rigid, and flexible extruded vinyl products having numerous applications, and a variety of injection molded products.

Divisions and Subsidiaries:

Cetec Anco Division
1720 North Santa Anita Avenue
South El Monte, California 91733
(213) 579-1900

Manufactures extruded vinyl products for construction, mobile homes, electronics and furniture industries.

Cetec Benmar Division
3000 West Warner Avenue
Santa Ana, California 92704
(714) 540-5120

Produces automatic pilots for the pleasure yachting and commercial markets.

Automated Business Concepts Division
7204 Clairemont Mesa Boulevard
San Diego, California 92111
(714) 560-1647

Cetec Gauss Division
9130 Glenoaks Boulevard
Sun Valley, California 91352
(213) 875-1900

Professional audio and duplicating equipment, and loudspeakers.

Cetec Electronics Division
5610 East Imperial Highway
South Gate, California 90280
(213) 733-6521

Distributors of electronic components, electrical connectors, potentiometers, tantalum capacitors, transformers and resistors. The Division serves California with offices in Los Angeles, San Francisco, and San Diego.

Cetec Vega Division
9900 Baldwin Place
El Monte, California 91731
(213) 442-0782

Products include wireless microphone systems, microphones, tone and analog telemetry systems and components.

Cetec Antennas Division
6939 Power Inn Road
Sacramento, California 95828
(916) 383-1177

Produces circularly polarized FM and TV antennas, FM antennas, harmonic filters, military antennas, match diplexers. VSB filters, filterplexers, and special supporting towers.

Cetec International Ltd.
16 Uxbridge Road
Ealing (London) England

Markets and services U.S. built Cetec products lines in Europe.

CBG Division
1110 Mark Avenue
Carpinteria, California 93013

Radio automation products and polarized TV transmitting antennas.

Cetec Guardian Division
1428 North Manzanita Street
Orange, California 92667

Supplies injection-molded plastic containers and components to the health care, and electronics industries.

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American, Pacific

Ticker Symbol: CEC

Number of Employees:

1981	543	1978	879
1980	602	1977	752
1979	792		

Plant Footage:

1981	332,000 sq. ft.	1978	380,000
1980	334,000	1977	380,000
1979	401,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 56,833,000	$ 1,140,000
1980	56,142,000	1,575,000
1979	53,577,000	1,489,000
1978	41,281,000	1,011,000
1977	36,269,000	780,000

Cetec Corporation

	No. of Com. Shares #	Earn. per Share #
1981	2,256,000	$ 0.50
1980	2,187,000	0.72
1979	2,143,000	0.69
1978	2,136,000	0.47
1977	2,195,000	0.36

‡ Of continuing operations only.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Cetec electronics group	$ 28,364,000	$ 26,888,000
Cetec broadcast group	18,515,000	18,887,000
Cetec industrial group	9,924,000	10,357,000
Miscellaneous & eliminations	30,000	10,000
Discont. computer oper.	—	4,636,000
Total	$ 56,833,000	$ 60,778,000

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 13,430,000	$ 5.95
1980	12,164,000	5.56
1979	10,712,000	5.00
1978	9,367,000	4.39
1977	8,833,000	4.02

‡ After allowing for preferred shares at a redemption value of $10 per share.
# Based on weighted average number of common shares and dilutive common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 56,833,000	$ 56,142,000
Cost of sales	42,103,000	41,352,000
Expenses	11,597,000	11,233,000
Interest expense	830,000	1,008,000
Income before taxes	$ 2,303,000	$ 2,549,000
Income taxes	1,163,000	1,171,000
Inc. from cont. oper.	$ 1,140,000	$ 1,378,000
Inc. from discont. oper.	—	197,000
Net Income	$ 1,140,000	$ 1,575,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,182,000 in 1981 and $1,042,000 in 1980.

Assets

	1981	1980
Cash	$ 1,192,000	$ 1,093,000
Accts. receiv. net	7,022,000	6,741,000
*Inventories	10,420,000	10,293,000
Prepaid expenses	393,000	618,000
Current Assets	$ 19,027,000	$ 18,745,000
#Fixed assets	6,458,000	6,015,000
Other assets	435,000	812,000
Intangibles	670,000	685,000
Total Assets	$ 26,590,000	$ 26,257,000

Liabilities

	1981	1980
Notes payable	$ —	$ 25,000
Long-term debt, curr.	1,029,000	1,123,000
Accts. payable	3,038,000	3,137,000
Accruals	1,288,000	1,282,000
Accrued payroll	1,045,000	1,021,000
Income taxes	54,000	303,000
Curr. Liabilities	$ 6,454,000	$ 6,891,000
Long-term debt	6,148,000	6,638,000
Deferred inc. taxes	380,000	386,000
+ Preferred stock	178,000	178,000
+ + Common stock	615,000	594,000
Add. paid-in capital	5,070,000	4,511,000
Retained earnings	7,830,000	7,144,000
Treasury stock	(85,000)	(85,000)
Total Liabilities & Shareholders' Equity	$ 26,590,000	$ 26,257,000

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 per value.
+ + No per value.

Statistical Summary

%Income bef. Taxes to Sales	4.05	—
%Net Income to Sales	2.01	—
%Net Income to Equity	8.38	12.76
Sales to Inventories	5.45	5.45
Working Capital	$12,573,000	$11,854,000
Current Ratio	2.95	2.72
Shareholders' Equity	$13,608,000	$12,342,000

Chrysler Corporation

P.O. Box 1919
Detroit, Michigan 48288
(313) 956-5252

Officers: Lee A. Iacocca, chairman of the board; Gerald Greenwald, vice chairman; Richard E. Dauch, exec. v.p.-Stamping, Assembly and Diversified Operations; John B. Naughton, Sr.; exec. v.p.- sales & marketing; Stephan Sharf, exec. v.p.- mfg.; Harold K. Sperlich, pres.-North American Auto. oper.; Baron K.Bates, v.p.- public relations; George F. Butts, v.p.- quality & productivity; M.J. Closs, v.p.-Chrysler Corp., pres.-Chrysler Canada; Charles T. Cudlip, v.p.-Washington Office; Thomas G. Denomme, v.p.-Corp. Strategic Planning; John K. Givens, v.p.-Mktng.; Richard Goodyear, v.p., gen. counsel & sec.; Edwin O. Grote, v.p.-Chrysler Corp., pres.-Chrysler Financial; E.T. Pappert, v.p.-U.S. Auto. Sales; John W. Day, exec. v.p.-Corp. Staff & Int'l.; Don R. DeLaRossa, v.p.- product design; L. Donald Gschwind, v.p.- product planning;Wendell W. Larsen, group v.p.-public affairs; Jerry L. Mathis, v.p.-stamping & assembly operations; R.S. Miller, Jr., exec. v.p.-Finance; Thomas W. Miner, v.p.-industrial relations; David R. Platt, group v.p.-procurement & supply; Lee H. Runk, v.p.-power train division; Glenn E. White, v.p.-personnel & administration; John D. Withrow, Jr., v.p.-engineering; Frederick W. Zuckerman, v.p. & treasurer.

Directors: Lee A. Iacocca*, chairman of the board: J. Paul Bergmoser*, John H. Coleman*, A.Jean de Grandpre, J. Richardson Dilworth*, Martha W. Griffiths, Najeeb E. Halaby, Anthony J.A. Bryan, Harold K. Sperlich, William R. Hewlett*, Jerome H. Holland, Ray W. Macdonald, George B. Young*., Joseph A. Califano, Jr., Douglas A. Fraser, John B. Naughton, Stephan Sharf, J. Paul Sticht, Robert C. Wilson.

* Member of Executive Committee.

Areas of Work: Products include cars, trucks, automotive parts and accessories, defense and space products, outboard motors, inboard marine engines and industrial engines, powder metal products and chemical products.

Non Automotive Plants & Division:

Chrysler Outboard Plant
Hartford, Wisconsin

Chrysler Detroit Tank Plant
Warren, Michigan

Chrysler Scranton Defense Plant
Eynon, Pennsylvania

Defense Operations
Centerline, Michigan

Troy Defense Plant
Troy, Michigan

Lima Tank
Lima, Ohio

Sterling Defense Plant
Sterling Heights, Michigan

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

The First National Bank of Chicago
Chicago, Illinois

National Bank of Detroit
Detroit, Michigan

Montreal Trust Company
Montreal and Toronto, Canada

Stock Exchange(s): New York, Midwest, Philadelphia, Pacific, Montreal, Toronto, Paris, London, Frankfurt, Geneva, Basel, Zurich.

*Listed and/or traded.

Number of Employees:

1981	87,825	1978	157,958
1980	92,596	1977	162,478
1979	133,811		

Plant Footage:

1981	61,523,000 sq.ft.	1978	68,678,800
1980	64,673,000	1977	68,678,800
1979	69,971,000		

* In United States only.

Sales and Earnings

	Net Sales (000's)	Net Income † (000's)
1981	$ 10,822,000	$ (475,600)
1980	9,225,300	(1,709,700)
1979	12,002,000	(1,097,000)
1978	13,618,000	(205,000)
1977	13,059,000	163,200

	No.of Com. Shares ‡	Earn. per Share ‡†
1981	70,300,000	$ —
1980	66,871,000	—
1979	65,552,000	—
1978	61,679,000	—
1977	60,278,000	2.71

(Loss)
‡ Based on the average number of shares outstanding.
† Including extraordinary credits of $38,400,000 ($0.64 per share) in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	0.20	—	—
1978	0.85	—	—
1977	0.90	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 539,500	$ 8.61
1980	104,000	5.85
1979	1,605,400‡	23.49
1978	2,709,500‡	42.06
1977	2,924,600	48.51

‡ After allowing for preferred stock at redemption value.

Income Account *
(000's)

Year ended Dec.31	1981	1980
Net sales	$ 10,821,600	$ 9,225,300
Eq. in net earn of unconsol. subsid.	82,800	96,300

Total income	$ 10,824,200	$ 9,168,800
Cost of sales	9,669,800	9,132,500
Expenses	604,800	561,300
Depreciation & amortization	451,100	567,300
Pension benefit	296,700	302,400
Interest expense	261,600	275,500
Loss before taxes	$ (459,800)	$ (1,670,200)
Income taxes	15,800	39,500
Net Loss	$ (475,600)	$ (1,709,700)

Assets
(000's)

As of Dec. 31	1981	1980
Cash & Time deposits	$ 121,300	$ 103,700
Marketable securities	283,100	193,600
Accts. receiv. net	429,700	476,200
*Inventories	1,600,400	1,916,000
Inc. taxes allocable to following	68,000	70,100
Prepaid expenses	98,800	101,600
Current Assets	$ 2,601,300	$ 2,861,200
Investments & other assets	1,221,800	1,236,600
#Fixed assets	2,446,900	2,520,000
Total Assets	$ 6,270,000	$ 6,617,800

Liabilities
(000's)

Long-term debt, curr.	$ 61,600	$ 166,200
Accts. payable	1,433,000	1,909,500
Accruals	754,700	790,800
Short-term debt	163,800	150,500
Income taxes	5,900	12,300
Curr. Liabilities	$ 2,419,000	$ 3,029,300
Long-term debt:		
Notes and debentures payable	1,909,100	2,321,400
Conv. sinking fund deben.	72,000	83,900
Subordinated debentures	78,000	78,000
Deferred Emp.benefit plan	666,400	353,000
Deferred inc. taxes	68,300	71,600
Other liab.	277,400	221,400
+Preferred stock:		
$2.75 shares	221,900	220,300
8¼% shares	1,097,400	342,900
+ +Common stock	460,200	418,600
Add paid-in capital	692,500	692,400
Retained earnings (deficit)	(1,692,200)	(1,215,000)
Total Liabilities & Shareholders' Equity	$ 6,270,000	$ 6,617,800

*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ No par value.
+ + $6.25 par value.

Clarostat Mfg. Co., Inc.

Washington Street
Dover, New Hampshire 03820
(603) 742-1120

Officers: Glen E. Swanson, chairman of the board and president; Russell E. White, executive vice president; vice presidents: James F. Smith-sales, Frank L. Ward-engineering; Arthur Richenthal, secretary and treasurer.

Directors: Steven F. Gross, Arthur Richenthal, Glen E. Swanson, Russell E. White.

Areas of Work: Engaged in the manufacture and sale of resistors, rheostats, potentiometers, resistor networks, switches in both wire wound and conductive plastic forms. Also engaged in the design, development and manufacture of electro-mechanical switching devices.

Subsidiaries:

Clarostat-Richmond, Inc.
Richmond, Maine 04357
(603) 742-1120

Clarostat-Gorham, Inc.
Gorham, Maine
(603) 742-1120

Clarostat-Norway, Inc.
Norway, Maine
(603) 742-1120

Mason Electric Company, Inc.
440 West Los Feliz Boulevard
Glendale, California 90024
(213) 240-6800

Clarostat (India) Limited
(55% owned)

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): American

Ticker Symbol: CLR

Number of Employees:

1980	725	1977	767
1979	814	1976	707
1978	826		

Plant Footage:

1980	384,000 sq. ft.	1977	384,000
1979	384,000	1976	384,000
1978	384,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 21,483,507	$ 638,261
1980*	20,242,899	532,579
1979	19,027,362	526,717
1978	• 15,924,193	857,490
1977	13,416,885	495,284

	No. of Com. Shares	Earn. per Share
1981	554,194	$ 1.15
1980	554,194	0.96
1979	554,194	0.95
1978	554,194	1.55
1977	554,194	0.89

*53 weeks.
‡ Includes other revenues; of continuing operations only.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 9,362,055	$ 16.89
1980	8,723,794	15.74
1979	8,191,215	14.78
1978	7,664,498	13.83
1977	6,807,008	12.28

Income Account *

Year ended	1/2/82	1/3/81
Net sales & other revenues	$ 21,483,507	$ 20,242,899
Cost of sales	16,207,408	15,673,340
Expenses	3,538,695	3,049,413
Research & develop.	530,696	527,240
Interest expense	25,447	42,127
Income before taxes	$ 1,181,261	$ 950,779
Income taxes	543,000	418,200
Net Income	$ 638,261	$ 532,579

* Included in Costs and Expenses, Depreciation: $494,745 in 1981 and $504,583 in 1980.

Assets

As of	1/2/82	1/3/81
Cash	$ 562,763	$ 468,994
Cert. of deposit	1,331,915	503,852
Accts. receiv., net	2,701,393	2,536,573
*Inventories	3,820,157	4,121,131
Prepaid expenses & sundry receiv.	391,548	319,209
Current Assets	$ 8,807,776	$ 7,949,759
Investments	37,775	37,775
#Fixed assets	2,485,209	2,539,180
Total Assets	$ 11,330,760	$ 10,526,714

Liabilities

Long-term debt, curr.	$ 25,000	$ 25,000
Accts. payable	443,420	542,170
Accrued payrolls & other expenses	719,000	573,216
Income taxes	163,485	42,634
Curr. Liabilities	$ 1,350,905	$ 1,183,020
Long-term debt	350,000	375,000
Deferred inc. taxes	267,800	244,900
+ Common stock	554,194	554,194
Add. paid-in capital	979,909	979,909
Retained earnings	7,827,952	7,189,691
Total Liabilities & Shareholders' Equity	$ 11,330,760	$ 10,526,714

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.50	4.70
%Net Income to Sales	2.97	2.63
%Net Income to Equity	6.82	6.10
Working Capital	$7,456,871	$6,766,739
Current Ratio	6.52	6.72
Shareholders' Equity	$9,362,055	$8,723,794

Cognitronics Corporation

25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Officers: David H. Shepard, chairman; William J. Lawless, Jr., president; Harvey L. Cook, v.p.-technical advisor; Edward J. Gushue, v.p.-contract management; D. Clark Murphy, v.p.-OCR Contract Sales; Robert Barron, v.p.-maufacturing; Gerard Insolia, v.p.-engineering; Matthew J. Flanigan, v.p.-sales; Ralph Palermo, exec. v.p.; Harold F. Mayer, secretary & treasurer; Alton B. Duncanson, v.p. support services.

Directors: Ralph Palermo, David H. Shepard, Edward J. Gushue, H.. George Wilde, Hugh C. Wolfe, William J. Lawless, Jr., Harvey L. Cook, Richard K. Van Nostrand, Edward S. Davis.

Divisions and Subsidiaries:

OCR Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

also:

1922 Isaac Newton Square
Reston, Virginia 22298
(703) 471-5060
Manufactures and markets OCR equipment.

Speechmaker Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Cognitronics Corporation

Manufactures and markets hardware that allows computers to provide direct voice response of the data retained in their stored memories.

Stamford Tool & Die-Customatic Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Manufactures machined parts and designs and develops special tools, dies, and phototype parts with heavy emphasis on high tolerance precision works.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COGN (NASDAQ)

Number of Employees:

1980 ...... 161 1979 150

Plant Footage:

1980 ...... 47,000 sq. ft. 1979 47,000

Sales and Earnings

	Revenues +	Net Income ×
1981	$ 10,505,350	$ 356,136
1980	9,908,790	1,001,878
1979	7,942,587	526,822
1978	5,718,525	150,025
1977	4,906,957	(156,974)

	No. of Com. Shares	Earn. per Share ‡ ×
1981	1,557,466	$ 0.23
1980	1,539,110	0.65
1979	1,517,562	0.35
1978	1,499,543	0.10
1977	1,498,543	—

(Loss)
+ Includes net sales, rentals and other income.
× Including extraordinary credits of $196,000($0.13 per share) in 1980, $229,000 ($0.15 per share) in 1979 and $62,000 ($0.04 per share) in 1978.
‡ Based on the average number of shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 4,424,685	$ 2.84
1980	4,018,225	2.61
1979	2,988,865	1.97
1978	2,443,108	1.03

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 9,358,129	$ 8,695,697
Other income	1,147,221	1,213,093
Total income	$ 10,505,350	$ 9,908,790
Cost of sales & service	6,869,472	6,232,277
Expenses	2,893,057	2,296,317
Interest expense	226,685	206,318
Income bef. taxes	$ 516,136	$ 1,173,878
Income taxes	160,000	368,000
Net Income	$ 356,136	$ 805,878
Extraord. gain	—	196,000
Net Income & extraord. gain	$ 356,136	$ 1,001,878

Assets

As of Dec. 31	1981	1980
Cash	$ 145,381	$ 120,687
Accts. receiv., net	2,240,181	1,992,161
*Inventories	2,160,135	1,938,568
Investments, curr.	53,226	80,466
Other assets	58,215	54,376
Current Assets	$ 4,657,138	$ 4,186,258
Equip. for leasing	134,996	292,995
Investments, non-curr.	206,449	200,418
#Fixed assets	1,854,678	1,421,150
Deposits & other assets	115,381	103,672
Total Assets	$ 6,968,642	$ 6,204,493

Liabilities

	1981	1980
Notes payable	$ 1,250,000	$ 900,000
Long-term debt, curr	57,305	50,458
Accts. payable	519,333	534,630
Accruals	684,439	610,995
Curr. Liabilities	$ 2,511,077	$ 2,096,083
Long-term debt	32,880	90,185
+Common stock	311,493	307,822
Add. paid-in capital	6,792,606	6,745,953
Deficit	(2,679,414)	(3,035,550)
Total Liabilities & Shareholders' Equity	$ 6,968,642	$ 6,204,493

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	4.91	13.50
%Net Income to Sales	3.39	9.27
%Net Income to Equity	8.05	19.75
Sales to Inventories	4.86	4.49
Working Capital	$2,146,061	$2,090,175
Current Ratio	1.85	2.00
Shareholders' Equity	$4,424,685	$4,018,225

Coherent, Inc.

3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303
(415) 493-2111

Officers: James L. Hobart, chairman of the board, president & chief exec. officer; James J. Donovan, sr. v.p. & chief financial officer; Henry E. Gauthier, sr. v.p. & chief operating officer; Bruce H. Baldridge, v.p. & gen. mgr. - Medical Group; Donald W. Bennett, v.p. & gen. mgr. - Industrial Group; Lawrence W. Sonsini, secretary; Dorothy E. Farrand, asst. secretary.

Directors: James L. Hobart, Franklin P. Johnson, Jr., Robert N. Noyce, Pierre R. Lamond, Ted H. McCourtney, Jr.

Areas of Work: Design, manufacture and sale of commercial lasers, optics, accessories and laser-based products for medical, construction, scientific and industrial markets.

Divisions and Subsidiaries:

Medical Group
3270 W. Bayshore Road
P.O. Box 10122
Palo Alto, California 94303
(415) 858-2250

Develops, manufactures and markets laser instruments for both the diagnosis and treatment of illness.

Components Group
2301 Lindbergh Street
Auburn, California
(916) 823-9550

Develops and manufactures standard products which combine state-of-the-art electronics with technologies in lasers and optics for OEM and industrial applications. Products include scanners for reading Universal Product Code (UPC) labels in supermarket electronic point-of-sale systems, and bar code readers.

International Division

Operates sales and service subsidiaries in Germany, the United Kingdom, France and Japan; has sales offices and representatives in other parts of the world.

Tropel Inc.
60 O'Conner Road
Fairport, New York 14450
(716) 377-3200

Prototype and special purpose lenses to the optical instrument field and to a variety of lens users; optical accessories used with lasers and associated technologies.

Modulator Division
14 Finance Drive
Commerce Park
Danbury, Connecticut 06810
(203) 792-2850

Designs and manufactures advanced laser modulation systems, including both electro-optic and acousto-optic modulators, photodiode assemblies, photodiode amplifiers, and various accessories.

Lambda Physik GmbH
Hans Boeckler Strass 12
3400 Gottingen, West Germany

Coherent Japan Company, Ltd.
4C Hermanos Akasaka Building
No. 4-3 8-chome
Akasaka, Minato-ku
Tokyo 107, Japan

Laser Inc.
Laser Lane
P.O. Box 537
Sturbridge, Massachusetts 01566
(617) 347-7314

Designs, manufactures and distributes laser products and related devices for cutting, welding and drilling applications.

Coherent (UK) Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4BH, England

Coherent GmbH
Hermannstrasse 54-56
D-6078 Neu-Isenburg, West Germany

Coherent SARL
55 Rue Boussingault
750133 Paris, France

Coherent S.r.l.
Residenza Mestieri
Milano 2
I-20090 Segrate, Italy

Coherent BV
Meenthof 15
NL-1241 CP Kortenhoef
The Netherlands

Lambda Physics
18 North Road
Bedford, Massachusetts 01730
(617) 275-9230

Electro-Medical Technology, Inc.
1623 Beltline Road
Redding, California 96003
(916) 241-3868

Manufactures automaic visual field screening instruments and electronic applanation tonometers for the ophthalmic profession.

Transfer Agent(s):

Crocker National Bank
79 New Montgomery Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COHR (NASDAQ)

Number of Employees:

1981	1,160	1978	671
1980	1,022	1977	528
1979	938		

Plant Footage:

1981	314,000 sq. ft.	1978	145,000
1980	154,000	1977	129,000
1979	145,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 69,448,000	$ 1,631,000
1980	61,268,000	1,357,000
1979	52,002,000	2,997,000
1978	32,774,000	1,818,000
1977*	24,738,000	923,000

	No. of Com. Shares	Earn. per Share #
1981	2,595,877	$ 0.64
1980	2,051,141	0.65
1979	1,947,898	1.49
1978	1,828,026	1.01
1977	1,730,190	0.53

* 53 weeks.

# Based on weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Electro-Optical Prods.	$ 45,594,000	$ 36,660,000
Medical Prods.	23,854,000	24,608,000
Total	$ 69,448,000	$ 61,268,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 31,114,000	$ 11.99
1980	17,016,000	8.30
1979	14,739,382	7.57
1978	10,437,650	5.71
1977	7,618,895	4.40

Income Account *

Year ended	9/26/81	9/27/80
Net sales	$ 69,448,000	$ 61,268,000
Cost of sales	38,523,000	33,848,000
Expenses	25,875,000	23,921,000
Other expenses	(1,799,000)	838,000
Income before taxes	$ 3,251,000	$ 2,661,000
Income taxes	1,620,000	1,304,000
Net Income	$ 1,631,000	$ 1,357,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,011,000 in 1981 and $1,387,000 in 1980.

Assets

As of	9/26/81	9/27/80
Cash	$ 2,301,000	$ 916,000
Accts. receiv. net	19,319,000	14,528,000
*Inventories	17,464,000	12,622,000
Prepaid expenses	470,000	748,000
Deferred taxes	1,428,000	1,089,000
Current Assets	$ 40,982,000	$ 29,903,000
#Fixed assets	15,889,000	10,835,000
Goodwill	5,567,000	—
Other assets	2,731,000	115,000
Total Assets	$ 65,169,000	$ 40,853,000

Liabilities

Notes payable	$ 5,141,000	$ 8,279,000
Accounts payable	3,606,000	3,051,000
Accruals	4,379,000	1,976,000
Accrued payroll	3,241,000	2,543,000
Income taxes	667,000	—
Reserve for warranty	1,544,000	1,426,000
Current Liabilities	$ 18,578,000	$ 17,275,000
Notes payable to bank	4,154,000	3,457,000
Bonds payable	4,118,000	—
Oblig. under cap. lease	927,000	915,000
8% conv. debentures	3,627,000	—
Deferred inc. taxes	2,651,000	2,190,000
+Common stock	1,298,000	1,026,000
Add. paid-in capital	18,032,000	5,837,000
Stock subscription receivables	(218,000)	(218,000)
Retained earnings	12,002,000	10,371,000
Total Liabilities & Shareholders' Equity	$ 65,169,000	$ 40,853,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.68	4.34
%Net Income to Sales	2.35	2.21
%Net Income to Equity	5.24	7.97
Sales to Inventories	3.98	4.85
Working Capital	$22,404,000	$12,628,000
Current Ratio	2.21	1.73
Shareholders' Equity	$31,114,000	$17,016,000

Cohu, Inc.

5725 Kearny Villa Road
San Diego, California 92113
(714) 277-6700

Mailing address:
Box 623
San Diego, California 92112

Officers: William S. Ivans, president and chief executive officer; A. Mack Rodgers, vice president & secretary; Charles A. Schwan, treasurer.

Directors: William S. Ivans, Robert W. Kerns, Kenneth E. Olson, J.M. Keeney, F.W. Davis, W.N. Jenkins, G.E. Leary, R.C. Sebold.

Divisions:

Electronics Division
5725 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Major products include broadcast and closed-circuit TV systems, color film cameras, environmental, underwater and radiation-tolerant cameras, high resolution cameras, audio and video switching systems and voltage standards.

Subsidiaries:

Meteorology Research, Inc.
464 West Woodbury Road
Altadena, California 91001
(213) 791-1901

Engaged in research and experimental programs and instrumentation for the environmental sciences, with emphasis upon cloud physics, weather modification, turbulence and diffusion, and air pollution. Products include: air pollution/visibility indicators; air borne instrumentation; mechanical weather stations; scientific balloons; recording rain gauges; turbulence and diffusion instruments; wind sensors, humidity sensors.

Delta Design, Inc.
5715 Kearny Villa Road
San Diego, California 92113
(714) 292-5000

Supplies specialized electro-mechanical test equipment such as transistors and integrated circuits to the semiconductor industry.

FRL, Incorporated
1005 I Street
Los Banos, California 93635
(209) 826-3292

Supplier of metal detection equipment to the public utility industry, and to prospectors and hobbyists.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Bradford Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: COH

Number of Employees:

1981	404	1978	452
1980	439	1977	406
1979	457		

Plant Footage:

1981	117,000 sq. ft.	1978	117,000
1980	117,000	1977	122,000
1979	117,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 25,395,581	$ 1,199,526
1980	24,504,922	1,349,096
1979	22,795,641	1,176,733
1978	18,952,989	520,081
1977	17,338,220	650,534

	No. of Com. Shares †	Earn. per Share †
1981	1,722,035	$ 0.70
1980	1,686,535	0.80
1979	1,685,660	0.70
1978	1,720,228	0.30
1977	1,755,500	0.37

‡Includes other income.

†Based on average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1981	1980
Television cameras & equipment	$ 9,359,907	$ 8,263,007
Electronic test & detection apparatus	9,966,108	10,603,532
Meteorological products & services	6,069,566	5,638,383
Total	$ 25,395,581	$ 24,504,922

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.16	—	—
1980	0.16	—	—
1979	0.16	—	—
1978	0.16	—	—
1977	0.04	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,379,751	$ 6.00
1980	9,307,685	5.50
1979	8,209,184	4.87
1978	7,302,075	4.33
1977	7,254,957	4.19

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 25,395,581	$ 24,504,922
Cost of sales	17,027,377	16,413,076
Expenses	5,955,592	5,736,424
Interest expense	443,086	336,326
Gain on sale	—	(260,000)
Income before taxes	$ 1,969,526	$ 2,279,096
Income taxes	770,000	930,000
Net Income	$ 1,199,526	$ 1,349,096

*Included in Costs and Expenses, Depreciation and Amortization: $470,671 in 1981 and $382,760 in 1980.

Cohu, Inc.

Assets

As of Dec. 31	1981	1980
Cash	$ 216,211	$ 404,903
Accts. receiv., net	4,892,650	4,425,222
Unreim. costs & fees	379,162	675,909
*Inventories	6,003,955	5,847,152
Prepaid expenses	158,358	191,221
Current Assets	$ 11,650,336	$ 11,544,407
#Fixed assets	3,664,547	3,174,564
Other assets	81,008	115,104
Total Assets	$ 15,395,891	$ 14,834,075

Liabilities

	1981	1980
Notes payable	$ 1,100,000	$ 2,000,000
Accts. payable	1,378,711	1,357,408
Accruals	186,658	304,570
Accrued payroll	466,916	503,081
Income taxes	247,234	242,730
Other taxes	85,545	126,637
Commissions payable	197,034	106,651
Curr. Liabilities	$ 3,662,098	$ 4,641,077
Long-term note pay.	1,354,042	885,313
+Common stock	1,951,533	1,919,283
Add. paid-in capital	3,809,242	3,722,572
Retained earnings	5,604,675	4,688,054
Treasury stock	(985,699)	(1,022,224)
Total Liabilities & Shareholders' Equity	$ 15,395,891	$ 14,834,075

*At lower of average cost and market.
#Less accumulated depreciation and amortization.
+$1 per value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.76	9.30
%Net Income to Sales	4.72	5.51
%Net Income to Equity	11.56	14.49
Sales to Inventories	4.23	4.19
Working Capital	$ 7,988,238	$6,903,330
Current Ratio	3.18	2.49
Shareholders' Equity	$10,379,751	$9,307,685

Coleman Systems

1101 South Linwood Avenue
Santa Ana, California 92705
(714) 972-1477

Officers: Frank E. Vachon, chairman of the board & treasurer; S. Wayne Giroux, president; L. Thomas McNicholas, v.p.; Richard M. Wright, secretary.

Directors: Frank E. Vachon, L. Thomas McNicholas, Albert T. Knoepfel, Richard M. Wright, S. Wayne Giroux.

Areas of Work: Manufactures automatic electric studio cameras, oscilloscope cameras, surveillance cameras and related peripheral equipment and components, digital readout equipment, and abrasive wheels and discs.

Divisions:

Coleman Division
1101 South Linwood Avenue
Santa Ana, California 92705
(714) 972-1477

Manufactures a line of machine tool products, and digital readout equipment and surveillance cameras.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLSY (NASDAQ)

Number of Employees:

1980	75	1977	113
1979	96	1976	116
1978	114		

Plant Footage:

1980	48,600 sq. ft.	1977	75,000
1979	75,000	1976	75,000
1978	75,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 3,017,460	$ (25,264)
1980	3,105,006	(113,688)
1979	3,834,714	36,266
1978	3,796,139	(62,934)
1977	3,778,229	41,477

	No. of Com. Shares	Earn. per Share ‡ #
1981	771,569	$ —
1980	771,569	—
1979	771,569	0.03
1978	771,569	—
1977	771,569	0.04

(Loss)
‡ Including extraordinary gain of $168,214 in 1980, $7,000 ($0.01 per share) in 1979 and $11,395 ($0.01 per share) in 1977.
# Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Photographic equip.	$ 370,761	$ 528,002
Readout displays	451,272	521,124
Abrasive products	2,195,427	2,055,880
Total	$ 3,017,460	$ 3,105,006

Common Stock Equity

	Total Equity †	Equity Per Share
1981	$ 198,664	$0.26
1980	232,354	0.30
1979	353,347	0.46
1978	324,686	0.42
1977	391,567	0.51

† After allowing for preferred stock at a redemption value of $13.25 per share.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 3,017,460	$ 3,105,006
Cost of sales	2,340,765	2,543,995
Expenses	610,760	796,322
Interest expense	126,618	134,152
Recov. from fire loss	(16)	(1,792)
Gain on sale	—	(61,162)
Interest income	(7,189)	(21,907)
Other income	(28,414)	(2,900)
Loss before taxes	$ (25,064)	$ (281,702)
Income taxes	200	200
Net Loss	$ (25,264)	$ (281,902)
Extraord. gain	—	168,214
Net Loss & extraord. gain	$ (25,264)	$ (113,688)

* Included in Costs and Expenses, Depreciation and Amortization: $29,940 in 1981 and $26,515 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 17,729	$ 5,671
Accts. receiv., net	510,869	500,654
*Inventories	898,090	785,947
Prepaid expenses	4,386	1,529
Current Assets	$ 1,431,074	$ 1,293,801
#Fixed assets	198,695	192,150
Other assets	4,401	28,492
Total Assets	$ 1,634,170	$ 1,514,443

Liabilities

	1981	1980
Notes & contracts payable	$ 764,775	$ 541,167
Long-term debt, curr.	-	7,155
Accts. payable	425,384	478,145
Accruals	59,922	73,779
Other payables	9,969	3,577
Curr. Liabilities	$ 1,260,050	$ 1,103,823
+Preferred stock	165,525	168,175
+ +Common stock	771,569	771,569
Add. paid-in capital	1,814,489	1,822,883
Retained earnings (deficit)	(2,377,463)	(2,352,007)
Total Liabilities & Shareholders' Equity	$ 1,634,170	$ 1,514,443

* At lower of average cost or market.
# Less accumulated depreciation.
+ $12.50 par value; 6% cumulative.
+ + $1 par value.

Statistical Summary

	1981	1980
Sales to Inventories	3.36	3.95
Working Capital	$171,024	$189,978
Current Ratio	1.14	1.17
Shareholders' Equity	$374,120	$410,620

Colt Industries Inc.

430 Park Avenue
New York, New York 10022
(212) 940-0400

Officers: George A. Strichman, chairman of the board and chief executive officer; David I.Margolis, president; William D. Ford, sr. vice president, secretary and general counsel; Andrew C. Hilton, sr. v.p.-adm.; Salvator J. Cozzolino, sr. v.p.-finance & treasurer; Vincent H. Callahan, Ben Cook, Guy C. Shafer, sr. v.p.'s-operations; Robert M. Burns, C. Edward Warner; Richard B. Steinmetz, v.p. & deputy general counsel; Phil Berkowitz, v.p.-personnel; Joseph P. Lisa, v.p. & controller; James G. McHugh, v.p. labor relations; Julius Levinson, v.p.-taxes; John F. Campbell, v.p.-public relations; Gerald J. Lynch, Eugene A. March, v.p.'s.

Directors: George A. Strichman, William D. Ford, George Lessner, David I. Margolis, A.J. McMullen, William S. Schwab, William H. Rea, Max E. Wildman, Robert A. Alberty, Louis T. Seith.

Divisions:

Industrial and Power Equipment

Fairbanks Morse Engine Division
701 Lawton Avenue
Beloit, Wisconsin 53511
(608) 364-4411

Diesel engine generator systems for standby, peaking, and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems.

Central Moloney Transformer Division
2400 West Sixth Avenue
Pine Bluff, Arkansas 71601
(501) 534-5332

Pole, pad-mounted, underground, and station-type distribution transformers/Transformer components.

Pratt & Whitney Machine Tool Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-6221

Numerically controlled machining centers/NC lathes/Jig borers/NC and tracer milling machines/Electronic measuring systems/Sterling thread-rolling dies/Haber coldheading tools/Fastcut cutting tools.

Elox Division
P.O. Box 2227
Davidson, North Carolina 28036
(704) 892-8011

Electrical discharge machining equipment including conventional vertical, traveling wire, and grinding machines.

Fairbanks Weighing Division
711 East St. Johnsbury Road
St. Johnsbury, Vermont 05819
(802) 748-5111

Bench and portable floor scales/Warehouse, hopper, and conveyor scales/Portable and stationary truck scales/Static and in-motion railroad scales/Mechanical and electronic indicators.

Quincy Compressor Division
217 Maine Street
Quincy, Illinois 62301
(217) 222-7700

Unit, tank, and skid-mounted reciprocating compressors/Stationary and portable helical screw compressors.

Trent Tube Division
2188 Church Street
East Troy, Wisconsin 53120
(414) 642-7321

Welded stainless steel, titanium, and other high-alloy tubing to 150-foot lengths for electric utility condensers and feed-water heaters/Nuclear, liquified natural gas, and special alloy tubing/Stainless and high-alloy pipe and tubing for processing, aerospace, pulp and paper, cryogenic,and instrumentation applications.

Crucible Magnetics Division
RFD 2
Elizabethtown, Kentucky 42701
(502) 769-1333

Cast alnico, Ferrimag ceramic, and Crucore rare earth-cobalt permanent magnets.

Crucible Spring Division
1 McCandless Avenue
Pittsburgh, Pennsylvania 15201
(412) 782-7300

Hot-wound heavy-duty coil springs for railroad car and other industrial applications.

Colt Firearms Division
P.O. Box 1868
Hartford, Connecticut 06102
(203) 236-6311

Hunting rifles/Sporting, target, custom, and commemorative arms and accessories/Police, security, and military handguns/M16 military rifles/Grenade launchers.

Fluid Control Systems

Holley Carburetor Division
11955 East Nine Mile Road
Warren, Michigan 48090
(313) 497-4000

Design, manufacture, and sale of OEM car and truck carburetors/Development of non-carburetor automotive field management systems.

Holley Replacement Parts Division
11955 East Nine Mile Road
Warren, Michigan 48090
(313) 497-4000

Engineering, distribution, and sale of Holley products for the automotive aftermarket.

Holley Special Products Division
11955 East Nine Mile Road
Troy, Michigan 48084
(313) 362-5300

Emissions control air injection pumps, controls, and other non-fuel system products.

Chandler Evans Control Systems Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-0651

Fuel pumps, fuel controls, and other gas turbine engine accessories and components/Aircraft and airframe valves/Missile flight control systems, valves and actuators.

Fairbanks Morse Pump Division
3601 Fairbanks Avenue
Kansas City, Kansas 66110
(913) 371-5000

Centrifugal, turbine, and axial flow pumps for pollution control, fire protection water supply, irrigation, drainage, and applications.

Materials

Crucible Stainless and Alloy Division*
P.O. Box 226
Midland, Pennsylvania 15059
(412) 643-1100

Alloy and special quality carbon steel ingots, blooms, billets, and ars/Vacuum arc remelted alloys/Stainless forging blooms, billets, and reforging bars/Discsand colters for agriculture/Other flat-rolled special products. Stainless steel sheet, strip, and plate products.

Crucible Specialty Metals Division
P.O.Box 977
Syracuse, New York 13201
(315) 487-4111

Crucible particle metallurgy and conventional high-speed steel/Tool and die steels/Stainless free-machining bars and rods/High-temperature aerospace, nuclear, and chemical processing alloys/Valve steels/Commercially pure and alloyed titanium bars, rods, and wire.

* On March 10, 1982 the company announced its decision to dispose of this division.

Industrial Seals and Components

Garlock Mechanical Packing Division
1666 Division Street
Palmyra, New York 14522
(315) 597-4811

Molded and extruded rubber and urethane products/Seals/Gasketing/Expansion joints/Flexible couplings and flue duct connectos/Braided and other compression packings/Mechanical seals for pumps.

France Compressor Products Division
P.O. Box A
Newtown, Pennsylvania 18940
(215) 968-5959

Compressor and industrial engine components.

Stemco Truck Products Division
P.O. Box 1989
Longview, Texas 75601
(214) 758-9981

Wheel lubrication systems/Exhaust systems and leaf springs for heavy-duty trucks.

Garlock Oil Seal Division
P.O. Box 1767
Gastonia, North Carolina 28052
(704) 864-8352

Oil seals for automotive and other mechanical equipment/Spiral-wound gaskets/Automotive transmission kits.

Garlock Special Products Division
Suie 1250, Midtown Tower
Rochester, New York 14604
(716) 232-1400

Plastic-based bearings and bearing materials/TFE-coated butterfly valves and components/Ortman hydraulic and pneumatic cylinders.

F.D. Farnam Division
P.O. Box 327
Necedah, Wisconsin 54646
(608) 565-2241

Gaskets, gasket assemblies for automotive and industrial applications.

Shock Mitigation Systems

Menasco California Division
P.O. Box 7071
First and Cedar Streets
Burbank, California 91510
(213) 842-9111

Landing gear for military and commercial aircraft/Shock mitigation systems for missiles and other applications.

Menasco Texas Division
P.O. Box 7656
Forth Worth, Texas 76111
(817) 283-4471

Military and commercial aircraft landing gear/Hydraulic systems and weapons loading systems for submarines and destroyers/Helicopter components.

Menasco Overhaul Division
P.O. Box 7071
26 East Providencia Avenue
Burbank California 91510
(213) 843-0611

Overhaul and repair of landing gear and related components and reconditioned spare parts for U.S. and foreign airlines and military services.

International Operations

Colt Canada Inc.
Case Postale 520
Sorel, Quebec, Canada J3P 5P2
(514) 746-4039

Crucible tool and die steels and custom forgings/Fairbanks Morse diesel engine sales and service.

Facilities: Crucible Steel Division, Sorel, Quebec; Fairbanks Morse Engine Division, Halifax, Nova Scotia, Vancouver, B.C., and Dorval, Quebec.

Menasco Canada Ltée
3495 Cote Vertu
Montreal, Quebec, Canada H4R 1R3
(514) 332-3330

Landing gear and flight controls for military and commercial aircraft/Helicopter rotor components/Flight control overhaul service.

Garlock of Canada Ltd.
66 Jutland Road
Toronto, Ontario, Canada M8Z 2H3
(416) 255-9114

Molded and extruded rubber products/Braided packings/Compressor and industrial engine components/Wheel lubrication and truck exhaust systems for heavy duty trucks.

Facilities: Garlock Mechanical Packing Division, Toronto, Ontario: France Compressor Products Division, Brantford, Ontario; Stemco Truck Products Division, Mississauga, Ontario.

Woodville Polymer Engineering Ltd.
Alton Lane, Ross-on-Wye
HR9 5NF Herefordshire, England

High-technology specialty molded rubber products.

Facilities: Ross-on-Wye Division, Ross-on-Wye, Herefordshire; Swadlincote Division, Burton-on-Trent, Staffordshire.

Crusteel Limited
Ruthland Way
Sheffield S3 8DG
Yorkshire, England

Specialty steel and tubing distributors.

Garlock AG
Thurgauerstrasse 39
CH-8050 Zurich, Switzerland

Manufacture and distribution of Stemco truck products.

Garlock Limited
North Way, Andover
Hampshire, SP10 5HN England

Liard S.A.
49, Route National
59570 Bavay, France

Compressor and industrial engine components.

Garlock GmbH
Postfach 300 450
Scheffelstrasse 73
4000 Dusseldorf 30
West Germany

Manufacture and distribution of Garlock products. Stemco truck products, and France compressor products.

Facilities: Garlock Valves & Industrial Plastics, Neuss; France Compressor Products Division, Gross Gerau; Garlock Mechanical Packing Division, Düsseldorf.

Garlock de Mexico, S.A.
Poniente 116, No. 571
Mexico 15, D.F.

Industrial packing and gasketing/Compressor components/TFE specialty products and molded rubber products.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Colt Industries Inc.

The First National Bank of Chicago
Chicago, Illinois

Bank of America National Trust and Savings Association
San Francisco, California

Stock Exchange(s): New York, Pacific, Midwest, London

Ticker Symbol: COT

Number of Employees:

1981	28,000	1978	33,100
1980	31,300	1977	30,800
1979	32,100		

Plant Footage:

1981	17,200,000 sq.ft.	1978	17,100,000
1980	17,054,000	1977	14,800,000
1979	16,900,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 2,242,552	$ 109,550
1980	2,165,602	97,751
1979	2,140,515	111,375
1978	1,807,882	87,020
1977	1,525,484	69,460

	No. of Com. Shares #	Earn. per Share #
1981	27,192,000	$ 4.01
1980	26,042,000	3.69
1979	25,984,000	4.20
1978	25,130,000	3.33
1977	24,146,000	2.70

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Materials	$ 702,000	$ 734,000
Industrial & power equipment	641,000	626,000
Fluid control systems	441,000	391,000
Industrial seals and components	320,000	307,000
Shock mitigation systems	178,000	145,000
Intergroup sales elimination	(39,000)	(37,000)
Total	$ 2,243,000	$ 2,166,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.53⅜	—	2-for-1
1980	1.45	—	—
1979	1.25	—	—
1978	1.01⅔	—	3-for-2
1977	0.85⁵⁄₁₂	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 735,715,000	$ 27.06
1980	646,157,000	24.81
1979	574,922,000	22.48
1978	501,332,000	19.48
1977	405,507,000	16.92

‡ After allowing for preferred stock at total involuntary liquidation value.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,242,552	$ 2,165,602
Cost of sales	1,840,745	1,782,976
Expenses	229,610	206,159
Interest expense	25,492	24,345
Interest income	(30,045)	(16,414)
Income before taxes	$ 176,750	$ 168,536
Income taxes	67,200	70,785
Net Income	$ 109,550	$ 97,751

* Included in Costs and Expenses, Depreciation and Amortization: $48,459,000 in 1981 and $57,851,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cert. of deposit	$ 59,304	$ 52,570
Marketable securities	123,734	81,681
Accts. and notes receiv., net	262,766	297,005
* Inventories	483,153	452,985
Deferred inc. taxes	21,822	29,430
Other curr. assets	10,671	11,246
Current Assets	$ 961,450	$ 924,917
# Fixed assets	457,388	437,143
Other assets	58,048	56,135
Fund for capital proj.	13,430	19,958
Total Assets	$ 1,490,316	$ 1,438,153

Liabilities
(000's)

	1981	1980
Notes payable	$ 6,934	$ 17,196
Long-term debt, curr.	18,808	13,231
Accts. payable	141,924	172,036
Accruals	102,348	108,050
Accrued payroll	97,265	74,332
Curr. Liabilities	$ 367,279	$ 384,845
Long-term debt	260,693	284,114
Reserves	45,757	25,658
Minority interest	5,284	4,983
Deferred inc. taxes	75,588	60,917
+ Preferred stock	—	422
+ + Commo stock	27,617	13,270
Add. paid-in capital	140,357	149,472
Retained earnings	576,360	522,532
Treasury stock	(8,619)	(8,060)
Total Liabilities & Shareholders' Equity	$ 1,490,316	$ 1,438,153

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.88	7.78
%Net Income to Sales	4.89	4.51
%Net Income to Equity	14.89	14.43
Sales to Inventories	4.64	4.78
Working Capital	$594,171,000	$540,072,000
Current Ratio	2.62	2.40
Shareholders' Equity	$735,715,000	$677,636,000

Columbia Chase Corporation

128 Office Plaza Building
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2800

Officers: Francis M. Chase, chairman of the board & chief executive officer; Edward L. Chase, president & chief operating officer; Dr. Nikit Ordjanian, vice president; L. Sheldon Daly, secretary & treasurer.

Directors: Francis M. Chase, chairman; Edward L. Chase, Dr. Nikit Ordjanian, L. Sheldon Daly, George M. Hansen, Wilbur L. Lafean, Jr., James D. O'Donnell.

Areas of Work: Manufactures energy-related products such as dielectric insulation for electrical power cables, protective tapes and coatings for underground gas and oil lines and humidity resistant coatings for electronic components and printed circuitry; also produces solar energy systems and an energy saving fossil fuel combustion conditioner unit which employs the use of water. Other operations include custom compounding and mixing of rubber and plastics and the design and manufacture of copper absorber plates, also a coal based alternate fuel.

Divisions and Subsidiaries:

Chase & Sons, Inc.
Randolph, Massachusetts 02368
(617) 963-2600

Cable tapes for use in electrical wires and cables, telephone and communication cables, shipboard, Navy and missile cables. Protective tape coatings for corrosion prevention on underground oil, gas and petroleum pipelines. Electrical tapes for utilities and contractors. Flexible electrical insulation for use in motors, transformers and other electrical equipment.

Avon Custom Mixing Services Division
Holbrook, Massachusetts
(617) 767-0511

Custom volume mixing of rubber and other compounds supplying the commercial market and corporate internal use.

HumiSeal Division
26-60 Brooklyn-Queens Expressway West
Woodside, New York 11377
(212) 932-0800

Produces conformal liquid protective coatings for electronics, and printed circuitry.

Royston Laboratories, Inc.
Pittsburgh, Pennsylvania 15238
(412) 828-1500

Produces and sells materials to prevent corrosion on underground pipelines and other metal surfaces and to protect wood and concrete surfaces, also bridge expansion joints.

Intercol Services, Inc.
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2814

International licensing and exchange of process and technologies and special international sales.

Solar Energy Division
Holbrook Massachusetts 02343
(617) 767-0513

Designer and manufacturer of solar energy collection units for heating hot water and space systems, and for the generation of low wattage electricity.

Combustion Division
Holbrook, Massachusetts
(617) 767-0542

Engineers, manufactures and installs a fossil fuel conditioner which creates a fuel emulsion using water or steam under a company-owned patented process.

Columbia Fluidized Coal Energy, Inc.
Pittsburgh, Pennsylvania
(412) 672-9214

Producer of COW, a coal based alternate fuel.

International Division

Columbia Chase Corporation
Brussels, Belgium
32(2) 354-1331

Coordination of international marketing and sales.

Solar Voltaic, Inc.
Braintree, Massachusetts
(617) 848-2800

Solar cell research.

Sunplate, Inc.
Holbrook, Massachusetts
(617) 767-0513
Copper absorber plates.

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza
New York, New York 10005

Stock Exchange(s): Boston

Ticker Symbol: CTE

Number of Employees:

1980 210

Plant Footage:

1980 . . . . . . 304,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1981	$ 20,947,745	$ 473,260
1980	17,108,097	273,175
1979	13,620,831	140,159
1978	11,898,522	32,407
1977	11,567,353	172,658

	No. of Com. Shares #	Earn. per Share #
1981	3,894,700	$ 0.12
1980	3,894,700	0.07
1979	3,894,700	0.04
1978	3,894,700	0.01
1977	3,894,700	0.03

+ Of continuing operations only.
Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.06	—	7-for-5
1980	0.06	—	5-for-4
1979	0.06	5%	—
1978	0.06	—	—
1977	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 4,782,685	$ 1.23
1980	4,480,001	1.15
1979	4,336,223	1.11
1978	4,323,299	1.11
1977	4,418,127	1.13

+ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 20,777,950	$ 16,957,447
Other income	169,795	150,650
Total income	$ 20,947,745	$ 17,108,097
Cost of sales	14,455,549	11,637,194
Expenses	5,105,507	4,671,199
Interest expense	303,512	342,859
Minority interest	(10,083)	(70,330)
Income before taxes	$ 1,093,260	$ 627,175
Income taxes	620,000	354,000
Net Income	$ 473,260	$ 273,175

* Included in Costs and Expenses, Depreciation; $309,224 in 1981 and $280,110 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 374,987	$ 218,013
Receiv., net	2,706,783	2,218,620
*Inventories	3,370,629	2,760,797
Prepaid expenses & other assets	146,726	146,776
Current Assets	$ 6,599,125	$ 5,344,206
#Fixed assets	2,311,174	2,008,088
Other assets	305,039	318,691
Total Assets	$ 9,215,338	$ 7,670,985

Liabilities

	1981	1980
Notes payable	$ 1,509,371	$ 820,856
Long-term debt, curr.	65,318	117,058
Accts. payable	1,405,646	713,878
Accruals	819,933	861,585
Income taxes	411,444	397,620
Curr. Liabilities	$ 4,211,712	$ 2,910,997
Long-term debt	220,941	279,987
+Common stock	278,238	222,629
Add. paid-in capital	1,753,482	1,753,482
Retained earnings	2,750,965	2,503,890
Total Liabilities & Shareholders' Equity	$ 9,215,338	$ 7,670,985

* At cost (FIFO), which is not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.26	3.70
%Net Income to Sales	2.28	1.61
%Net Income to Equity	9.90	6.10
Sales to Inventories	6.16	6.14
Working Capital	$2,387,413	$2,433,209
Current Ratio	1.57	1.84
Shareholders' Equity	$4,782,685	$4,480,001

Commodore International Limited

(formerly Commodore Business Machines (Canada) Limited)

950 Rittenhouse Road
Norristown, Pennsylvania 19403
(215) 666-7950

Sassoon House
Shirley & Victoria
P.O. Box N-10256
Nassau, Bahamas
(805) 325-4109

Officers: Irving Gould, chairman of the board; Jack Tramiel, vice chairman of the board, chief executive officer; Richard D. Sanford, exec. v.p. & secretary; H.E.J. Finke, president & chief operating officer; David Alderson, v.p.-Far East operations; Bernhard W. Witter, v.p.-finance; Gregory A. Pratt, v.p. & controller.

Directors: Irving Gould, Jack Tramiel, Leonard I. Schreiber, Burton Winberg, Ralph A. Seligman.

Areas of Work: Engaged in the design, manufacture and marketing of computer systems, integrated circuits (CMOS and MOS), consumer electronic products and office equipment. Significant products include micro-mini-computer (Pet) and related peripherals such as floppy disks, tractor and friction printers, and associated sortware. The Company also designs, manufactures and markets electronic calculators and watches. All products are marketed through a worldwide distribution network. In addition, the Company has designed an electronic programmable thermostat which will soon be available to the market.

Subsidiaries:

Commodore Business Machines, Inc.
3330 Scott Blvd.
Santa Clara, California 95050

Commodore Business Machines (U.K.) Limited
360 Euston Road
London NW1 3BL, England

Commodore Buromaschinen GmbH
Frankfurter Strasse 171-175
6078 Neu Isenburg
West Germany

Micro Display Systems, Inc.
Valley Forge Corporate Center
950 Rittenhouse Road
Norristown, Pennsylvania 19403

Commodore Optoelectronics
4350 Beltwood Parkway S.
Dallas, Texas 75234

Commodore Japan Limited
Akasaka Yamakatsu, Bldg. 6F
8-5-32 Akasaka, Minato-ku
Tokyo 107, Japan

Taisei-Denani Building
8-14 Ikue 1-Chome
Asani-ku, Osaka 535, Japan

MOS Technology, Inc.
Valley Forge Corporate Center
950 Rittenhouse Road
Norristown, Pennsylvania 19403

Frontier Manufacturing, Inc.
2955 No. Airway Avenue
Costa Mesa, California 92626

Commodore Business Machines, Limited
3370 Pharmacy Avenue
Agincourt, Ontario, MIW 2K4, Canada

Slough Trading Estate
818 Leigh Road
Slough, Berkshire
England, SL 14BD

Commodore Electronics (Hong Kong) Limited
Watsons Estates
Block C, 11th Floor
Hong Kong, Hong Kong

Commodore Switzerland
Dufourstrasse 9
4010 Basel, Switzerland

Commodore Electronics Limited
Sassoon House, Shirley & Victoria
P.O. Box N-10256
Nassau, Bahamas

Transfer Agent(s):

The Canadian Bank of Commerce Trust Company
New York, New York

Trust Corporation of Bahamas Limited
Nassau, Bahamas

Stock Exchange(s): New York

Ticker Symbol: CBU

Plant Footage:

1981 . . . . . . 607,000 sq. ft. 1980 566,000

Sales and Earnings

	Net Sales	Net Income +
1981	$ 186,500,000	$ 25,400,000
1980	125,600,000	16,900,000
1979	71,124,000	6,535,000
1978	50,151,000	4,040,000
1977	46,175,000	1,524,000

	No. of Com. Shares ‡	Earn. per Share + ‡
1981	10,307,000	$ 2.42
1980	10,395,000	1.56
1979	9,720,000	0.62
1978	9,471,000	0.43
1977	9,732,000	0.17

Commodore International Limited

(Loss)
+ Including extraordinary gains of $700,000 ($0.21 per share) in 1980, $15,000 ($0.16 per share) in 1979, $650,000 ($0.19 per share) in 1978.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Systems	$ 132,500	$ 82,800
Consumer prods.	8,200	11,100
Components	34,900	18,900
Office equip.	10,900	12,800
Total	$ 186,500	$ 125,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-1
1980	—	—	3-for-2 & 3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 61,600,000	$ 5.98
1980	35,500,000	3.42
1979	20,750,000	2.13
1978	12,256,000	1.29
1977	8,175,000	0.90

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1980	1979
Net sales	$ 125,600	$ 71,124
Cost of sales	75,000	48,036
Expenses	29,100	12,976
Interest expense	3,200	2,092
Income before taxes	$ 18,300	$ 8,020
Income taxes	3,800	2,000
Reversal of U.K. taxes	(1,700)	—
Net Income	$ 16,200	$ 6,020
Extraord. gain	700	515
Net Income & extraord. gain	$ 16,900	$ 6,535

* Included in Costs and Expenses, Depreciation and Amortization: $3,500,000 in 1980 and $2,476,000 in 1979.

Assets
(000's)

As of June 30	1980	1979
Cash	$ 5,100	$ 2,552
Accts. receiv., net	25,300	15,317
* Inventories	36,100	22,985
Prepaid expenses	600	512
Current Assets	$ 67,100	$ 41,366
# Fixed assets	21,400	14,307
Other assets	400	1,828
Total Assets	$ 88,900	$ 57,501

Liabilities
(000's)

Long-term debt, curr.	$ 1,000	$ 2,326
Loans from fin. institutions	2,600	11,651
Accts. payable	14,900	10,561
Accruals	6,400	3,377
Income taxes	4,200	1,598
Curr. Liabilities	$ 29,100	$ 29,513
Long-term debt	24,300	5,533
Deferred taxes	—	1,705
+ Common stock	3,300	2,661
Add paid-in capital	1,300	3,661
Retained earnings	$ 30,900	$ 15,596
Total Liabilities & Shareholders' Equity	$ 88,900	$ 57,501

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.57	11.25
%Net Income to Sales	12.90	8.44
%Net Income to Equity	45.63	28.92
Sales to Inventories	3.48	3.09
Working Capital	38,000,000	11,853,000
Current Ratio	2.31	1.40
Shareholders' Equity	35,500,000	20,750,000

Communications Industries, Inc.

1100 Frito-Lay Tower
Exchange Park
Dallas, Texas 75235
(214) 357-4001

Officers: Clayton E. Niles, chairman of the board & chief exec. officer; William O. Hunt, president and chief operating officer; Noel Hartshorne, v.p. & staff operations officer, John A. Hollanesworth, vice president-common carrier services; Michael H. Barnes, v.p.-finance & treasurer; Louis E. Brown, v.p.-research and development; Bob K. Alexander, asst. v.p.-corp. development; C. Edward Baker, dir.-human resources; Neil J. O'Brien, secretary; Judith A. Corey, asst. secretary.

Directors: Thomas J. McMullin, Jerry S. Stover*, Louis E. Brown*, C.E. Bradley, C.A. Rundell, Jr., Clayton E. Niles*, Ed B. Breeding, Harvey B. Cash, Noel Hartshorne*, William O. Hunt*.

*Member of Executive Committee.

Areas of Work: Engaged in the design, assembly, manufacture, sale, service and maintenance of industrial radio and electronic communications equipment and systems, and in the performance of services as a radio common carrier and telephone answering service. The principal products manufactured by the Company include two-way radio antennas, duplexers, filters, radio-telephone terminals, electronic signaling, alarm and control equipment. The Company also sells, leases or rents to others certain products manufactured by others including two-way radio systems and equipment. Also performs certain services for users of two-way radio communication including equipment renting or leasing two-way radio antenna space. Provides radiotelephone, radio paging and radio dispatch services in Tucson, Flagstaff and Phoenix, Arizona; Atlanta, Georgia; Midland Texas; St. Louis, Missouri; Jacksonville, Florida and San Diego, California.

Subsidiaries:

Secode Electronics
625 South Good-Latimer
Dallas, Texas 75207
(214) 742-7231
Designs and manufactures mobile telephone control heads, central radio control consoles, selective signaling equipment and remote data acquisition systems.

Gencom Incorporated
10300 North Central Expressway
Building V-Suite 430
Dallas, Texas 75223
Radiotelephone utility providing car telephone and pocket paging services.

Decibel Products, Inc.
3184 Quebec Street
Dallas, Texas 75247
(214) 631-0310
Manufactures two-way radio antennas, duplexers, filters, transmitter/receiver combiners and other peripheral equipment needed for efficient radio communications.

BBL Industries
Atlanta, Georgia
Engaged in the manufacture and distribution of telephone answering service equipment, and voice retrieval systems.

Acquisition(s):

American Communications Systems, Inc.
Atlanta, Georgia
A radio common carrier.

BLL Industries (November 1981)
Atlanta, Georgia
Manufacrures and distributes paging terminals telephone answering service equipment, and voice retrieval systems.

Transfer Agent(s):

First National Bank in Dallas
1401 Elm Street
Dallas, Texas 75202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COMM (NASDAQ)

Number of Employees:

1981	930	1978	888
1980	1,030	1977	782
1979	925		

Plant Footage:

1981	241,000 sq. ft.	1978	206,000
1980	241,000	1977	202,000
1979	206,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	52,367,000	7,756,000
1980	43,015,000	5,298,000
1979	35,357,000	3,566,000
1978	28,717,000	2,889,000
1977	24,183,000	2,594,000

	No. of Com. Shares #	Earn. per Share #
1981	8,036,000	0.97
1980	7,776,000	0.68
1979	7,569,000	0.47
1978	7,412,000	0.39
1977	7,260,000	0.36

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Manufactured products	$ 30,846,000	$ 24,721,000
Radio common carrier & telephone service	21,521,000	18,294,000
Total	$ 52,367,000	$ 43,015,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.23	—	3-for-2
1980	0.18	—	3-for-2 & 3-for-2

1979	0.14	—	—
1978	0.11	—	3-for-2
1977	0.09	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share‡
1981	$ 33,283,000	$ 4.10
1980	25,930,000	3.30
1979	20,944,000	2.71
1978	17,866,000	2.40

† Restated to include operations of companies acquired on a pooling of interests basis.
‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 52,367,000	$ 43,015,000
Cost of sales	27,887,000	24,770,000
Expenses	12,452,000	8,988,000
Other Income	2,173,000	1,310,000
Other expense	751,000	885,000
Income before taxes	$ 13,450,000	$ 9,682,000
Income taxes	5,694,000	4,384,000
Net Income	$ 7,756,000	$ 5,298,000

*Included in Costs and Expenses, Depreciation and Amortization: $3,912,000 in 1981 and $3,356,000 in 1980.
‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets

As of Dec. 31	1981	1980 ‡
Cash & cash equiv.	$ 8,838,000	$ 3,840,000
Marketable securities	954,000	1,074,000
Accts. & contracts receiv. net	6,998,000	6,940,000
*Inventories	7,538,000	7,609,000
Prepaid expenses	545,000	113,000
Current Assets	$ 24,873,000	$ 19,576,000
# Fixed assets	15,592,000	12,403,000
Other assets	965,000	413,000
Intangibles	1,095,000	1,529,000
Total Assets	$ 42,525,000	$ 33,921,000

Liabilities

	1981	1980 ‡
Accrued Compensation	$ 1,656,000	$ 1,634,000
Long-term debt, curr.	250,000	178,000
Accts. payable & accruals	2,910,000	2,876,000
Dividends payable	513,000	353,000
Income taxes	1,460,000	1,424,000
Curr. Liabilities	$ 6,789,000	$ 6,465,000
Long-term debt	976,000	801,000
Deferred inc. taxes	1,477,000	725,000
+ Common stock	4,056,000	2,619,000
Add. paid-in capital	3,977,000	4,343,000
Retained earnings	25,250,000	18,968,000
Total Liabilities & Shareholders' Equity	$ 42,525,000	$ 33,921,000

‡ Restated to include operations of companies acquired on a pooling of interests basis.
*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	25.68	22.51
%Net Income to Sales	14.81	12.32
%Net Income to Equity	23.30	20.43
Sales to Inventories	6.95	5.65
Working Capital	$18,084,000	$13,111,000
Current Ratio	3.66	3.03
Shareholders' Equity	$33,283,000	$25,930,000

Communications Satellite Corporation

950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6000

Officers: John D. Harper, chairman of the board; Joseph V. Charyk, president and chief executive officer; John L. McLucas, president COMSAT World Systems Div.; William H. Berman, sr. v.p. and general counsel; John V. Harrington, sr. v.p.-research & development; Carl J. Reber, sr. v.p.-finance; Bruce D. Smith, v.p.-corporate development; Donald E. Greer, v.p.-general services; David S. Nye, v.p.-personnel; Joseph H. O'Connor, v.p.; Bruce L. Crockett, v.p.-finance & treasurer; George L. Skinner, comptroller; Jerome W. Breslow, secretary; Nancy E. Weber, asst. secretary.

Directors: John D. Harper, chairman of the board; Elliot M. Estes, Robert M. Garrick, Joseph V. Charyk, William W. Hagerty, Melvin R. Laird, Howard J. Morgens, Ellmore C. Patterson, Charles J. Pilliod, Jr., Bruce G. Sundlun, William L. Zimmer, III, Jesse Hill, Jr., Joan F. Tobin, Lewis W. Foy, Frederick B. Dent.

Areas of Work: The Company was incorporated in District of Columbia Feb. 1, 1963, as authorized by the Communications Satellite Act of 1962. Pursuant to the act, the Corporation has established, in cooperation with telecommunications entities and foreign governments, a global system of communications satellites. The Company provides service to communications common carriers in the United States through sales to carriers, authorized by the Federal Communications Commission. The Company has also developed the MARISAT satellite system which provides marine communications, and leases the communications capacity of its COMSTAR satellites to AT&T for domestic communications.

Subsidiaries:

COMSAT General Corporation
950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6010

Engaged in maritime and domestic U.S. satellite communications programs, and provides worldwide technical service.

COMSAT General Integrated Systems, Inc.
1131 San Antonio Road
Palo Alto, California 94303
(415) 966-8440

Develops integrated design, manufacturing and test systems for microwave and digital products.

Satellite Television Corporation
1301 Pennsylvania Avenue N.W.
Washington, D.C. 20004
(202) 626-3600

Has filed an application with the FCC proposing to operate satellite subscription television service.

COMSAT General TeleSystems, Inc.
2721 Prosperity Avenue
Fairfax, Virginia 22031
(703) 698-4300

Produces specialized telecommunications products, markets, installs, and repairs Marisat terminals.

Environmental Research & Technology, Inc.
696 Virginia Road
Concord, Massachusetts 01742
(617) 369-8910

Furnishes business and governmental clients with environmental consulting, planning, monitoring, and computer-based information services.

COMSAT Laboratories
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301)428-4000

Amplica, Inc.
950 Lawrence Drive
Newbury Park, California 91320
(805) 498-9671

Acquisition(s):

Amplica, Inc.
Newbury Park, California

Manufactures microwave equipment.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Continental Illinois National Bank and Trust Company
of Chicago
30 North LaSalle Street
Chicago, Illinois 60670

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, California 94104

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: CQ

Sales and Earnings

	Oper. Revenues	Net Income
1981	$ 333,979,000	$ 28,269,000
1980	299,726,000	38,290,000
1979	262,635,000	40,185,000
1978	211,114,000	34,238,000
1977	188,130,000	31,013,000

	No. of Com. Shares #	Earn. per Share #
1981	8,000,014	$ 3.53
1980	8,000,014	4.79
1979	8,000,014	5.02
1978	8,000,014	4.28
1977	9,928,781	3.27

Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Satellite Systems Svcs.	$ 185,472,000	$ 161,097,000
Non Jurisdictional	89,054,000	81,297,000
Communication Svcs.	59,453,000	57,332,000
Total	$ 333,979,000	$ 299,762,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.30	—	—
1980	2.30	—	—
1979	2.225	—	—
1978	2.00	—	—
1977	1.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 437,220,000	$ 54.65
1980	415,583,000	51.95
1979	395,693,000	49.46
1978	373,309,000	46.66
1977	355,071,000	35.76

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Oper. Rev.	$ 333,979	$ 299,726
Expenses	175,460	143,574
Depreciation & amortization	61,884	62,183
Res. & develop.	15,187	13,710
Income taxes	39,882	36,664
Other expenses	13,297	5,305
Cummulative effect of acctng. change	(11,769)	—
Net Income	$ 40,038	$ 38,290

Communications Satellite Corporation

Assets
(000's)

As of Dec. 31	1981	1980
Cash & temp. investments	$ 9,179	$ 43,484
Accts. receiv., net	47,225	58,951
Other assets	15,665	13,131
Current Assets	$ 72,068	$ 115,566
Investments	102,724	79,818
#Fixed assets	408,673	367,808
Other assets	15,858	17,865
Total Assets	$ 599,323	$ 581,057

Liabilities
(000's)

	1981	1980
Accts. payable & accruals	$ 33,267	$ 27,402
Income taxes	14,843	13,068
Curr. Liabilities	$ 48,110	$ 40,470
Long-term debt	5,397	5,533
Deferred inc.	10,994	13,511
Deferred inc. taxes & invest. credit	97,602	105,960
+Common stock	195,213	195,213
Retained earnings	317,390	295,753
Treasury stock	(75,383)	(75,383)
Total Liabilities & Shareholders' Equity	$ 599,323	$ 581,057

# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1981	1980
%Net Income to Revenues	11.99	12.78
%Net Income to Equity	9.16	9.21
Working Capital	$ 23,958,000	$ 75,096,000
Current Ratio	1.50	2.86
Shareholders' Equity	$437,220,000	$415,583,000

Components Corporation of America

1460 Diamond Shamrock Tower
717 North Harwood Street
Dallas, Texas 75201

Officers: Cary M. Maguire, chairman of the board; Frank E. Castle, president & chief executive officer; Walter L. Landergan, Jr., secretary.

Directors: Cary M. Maguire, chairman; Eugene Daniel Powers, Dean P. Guerin, Lee D. Vendig, Robert Kahn, F.E. Castle.

Areas of Work: Through the activities of its wholly owned subsidiaries, it is engaged in various phases of the development, production and marketing of instrument transformers, inductors, television deflection yokes, coils and related electronic components. Also produces asphalt additives and emulsifiers, and mercury switches and a variety of coils used in coin operated vending machines.

Subsidiaries:

Thordarson Meissner Inc
Mt. Carmel, Illinois 62863

Nostrip Chemical Works Inc.
P.O. Box 160
Pedricktown, New Jersey 08067

Nostrip Chemical Works, Inc.
Rocky Mountain Arsenal
Denver, Colorado 80240

Domestic International Sales Corporation (DISC)
Mt. Carmel, Illinois 62863

Simco, Inc.
Engaged in the manufacture of electromechanical switches, electrical transformers, and other power related products.

Transfer Agent(s):
American Transfer Company
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	850	1977	800
1979	850	1976	200
1978	850		

Plant Footage:

1980	308,000 sq. ft.	1977	308,000
1979	308,000	1976	137,000
1978	308,000		

Sales and Earnings

	Net Sales	Net Income
1980	$ 23,023,269	$ 70,540
1979	21,911,410	(686,526)
1978	20,328,850	226,959
1977	13,133,162	103,855
1976	8,378,620	806,478

	No. of Com. Shares	Earn. per Share ‡
1980	766,937	$0.09
1979	766,937	—
1978	766,937	0.29
1977	772,577	0.13
1976	784,686	1.03

(Loss)
‡ Based on weighted average number of common share and common share equivalents outstanding.

Revenues By Line of Business

	1980 (000's)	%	1979 (000's)	%
Electronic & electrical components	$ 20,167	88%	$ 19,334	88%
Chemical components	2,856	12	2,577	12
Total	$ 23,023	100%	$ 21,911	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$ —	—	—
1979	0.05	—	—
1978	0.20	—	—
1977	0.20	—	—
1976	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 3,900,463	$5.09
1979	3,829,923	4.99
1978	4,554,204	5.94
1977	4,496,028	5.82
1976	4,561,034	5.81

Income Account *

Year ended Oct. 31	1980	1979
Net sales	$ 23,023,269	$ 21,911,410
Cost of sales	16,536,160	16,448,565
Expenses	5,499,110	5,348,691
Interest expense	937,581	738,263
Other income	(61,122)	(43,050)
Income (loss) bef. taxes	$ 111,540	$ (581,059)
Income taxes	41,000	87,680
Minority interest	—	17,787
Net Income (Loss)	$ 70,540	$ (686,526)

* Included in Costs and Expenses, Depreciation: $624,925 in 1980 and $640,805 in 1979.

Assets

As of Oct. 31	1980	1979
Cash	$ 312,094	$ 520,995
Marketable securities	587,151	445,068
Accts. receiv., net	3,318,568	3,188,760
Refundable taxes	23,341	60,000
*Inventories	6,583,429	5,888,463
Prepaid expenses	87,594	107,013
Current Assets	$ 10,912,177	$ 10,210,299
#Fixed assets	2,601,206	2,359,563
Total Assets	$ 13,513,383	$ 12,569,862

Liabilities

	1980	1979
Short-term debt	$ 1,620,000	$ 1,350,000
Long-term debt, curr.	898,000	680,000
Accts. payable & accruals	3,262,602	2,371,343
Curr. Liabilities	$ 5,780,602	$ 4,401,343
Long-term debt	3,832,318	4,338,596
+ Common stock	1,035,411	1,035,411
Add. paid-in capital	2,869,722	2,869,722
Retained earnings	726,653	656,113
Treasury stock	(731,323)	(731,323)
Total Liabilities & Shareholders' Equity	$ 13,513,383	$ 12,569,862

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1980	1979
%Income bef. Taxes to Sales	0.48	—
%Net Income to Sales	0.31	—
%Net Income to Equity	1.81	—
Sales to Inventories	3.50	3.72
Working Capital	$ 5,131,575	$ 5,808,956
Current Ratio	1.89	2.32
Shareholders' Equity	$ 3,900,463	$ 3,829,923

Compucorp

2211 Michigan Avenue
Santa Monica, California 90404
(213) 829-7453

Officers: Elmer R. Easton, president and chief executive officer; Norman J. Grannis, sr. v.p.-operations; Kas Terhorst, sr. v.p.-marketing; Roger D. Keenan, v.p.-finance & treasurer & chief financial officer; Thomas S. Budlong, v.p.-product development; Andrea De Mari, v.p.-research & engineering; Salvatore F. Cimbolo, Jr., v.p.-North American marketing operations; Cynthia Wells, secretary and corporate counsel.

Directors: Elmer R. Easton, Carlos A. Tomaszewski, Kas Terhorst, Norman J. Grannis, Justo Montero, Minoru Tonai; Paul J. Keil, Lutz-Dieter Beaugrand.

Areas of Work: Engaged in the design, manufacture and marketing of desktop and hand-held computers, word processing equipment and computer components, programmable and nonprogrammable electronic calculators and peripheral equipment.

Transfer Agent(s):
U.S. Stock Transfer Corporation
8383 Wilshire Boulevard
Beverly Hills, California 90021

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCUP (NASDAQ)

Plant Footage:

1982	100,000 sq. ft.	1979	30,000
1981	30,000	1978	30,000
1980	30,000		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 17,900,610	$ 722,442
1980	9,366,680	50,330

1979	5,965,104	(448,951)
1978	3,819,423	(138,854)
1977	2,329,195	222,789

	No. of Com. Shares	Earn. per Share # +
1981	2,932,958	$ 0.22
1980	2,503,142	—
1979	1,636,100	—
1978	1,580,797	—
1977	1,578,097	0.23

(Loss)

Including extraordinary gains of $93,400 ($0.10 per share) in 1977.

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	1-for-4‡

‡ Reverse stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 17,900,610	$ 9,366,680
Cost of sales	8,514,859	4,787,674
Expenses	7,241,548	4,035,130
Depreciation & amortization	202,157	90,725
Interest expense	501,299	312,190
Interest income	(25,294)	(7,561)
Amort. of deben. disc.	77,599	78,042
Income bef. taxes	$ 1,388,442	$ 70,480
Income taxes	666,000	20,150
Net Income	$ 722,442	$ 50,330

Assets

As of Dec. 31	1981	1980
Cash	$ 474,706	$ 104,932
Accts. receiv., net	5,483,580	2,418,025
*Inventories	4,656,034	2,058,237
Prepaid expenses	535,739	98,921
Distribution rights	151,000	—
Current Assets	$ 11,301,059	$ 4,680,115
#Fixed assets	1,393,746	291,469
Deposits	347,096	351,051
Total Assets	$ 13,041,901	$ 5,322,635

Liabilities

Bank notes payable	$ 1,850,000	$ 795,000
Sinking fund debentures, curr.	408,980	105,580
Long-term debt, curr.	20,467	25,000
Accts. payable	2,714,696	969,857
Accrued payroll	198,711	62,313
Accrued interest	83,156	50,023
Taxes other than income	54,553	42,323
State income taxes	210,000	—
Other	170,106	68,289
Curr. Liabilities	$ 5,710,669	$ 2,118,385
Long-term debt	3,405,940	1,375,640
+ Preferred stock	110,674	136,308
+ + Common stock	3,689,390	2,252,633
Retained Earnings (deficit)	155,028	(560,331)
Sale of stock	(30,000)	—
Total Liabilities & Shareholders' Equity	$ 13,041,901	$ 5,322,635

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ No par value; 6% cumulative.

+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.75	0.75
%Net Income to Sales	4.03	0.54
%Net Income to Equity	18.40	2.75
Sales to Inventories	3.84	4.55
Working Capital	$5,590,390	$2,561,730
Current Ratio	1.97	2.21
Shareholders' Equity	$3,925,292	$1,828,610

CompuDyne Corporation

Corporate Headquarters:
391 Greendale Road
York, Pennsylvania 17405
(717) 843-4020

Office of the President:
100 South Wacker Drive
Chicago, Illinois 60606
(312) 346-7878

Officers: Frank J. Kelley III, chairman of the board, president & treasurer; Dale V. Dinsmore, v.p. & controller; Bruce Chandler, vice president; Kenneth P. Griffin, secretary.

Directors: Frank J. Kelley III, chairman, Bert G. Kerstetter, Henry G. Van der Eb, W. Newton Burdick, Jr., Lavern H. Brenneman, Bruce Chandler, Donald G. Iselin.

Subsidiaries:

General Indicator Corporation (89% owned)
P.O. Box 97
Pardeeville, Wisconsin 53954
(608) 429-2121

Designers and manufacturers of solid state electronic; electro-hydraulic, electro-mechanical, and peripheral equipment for process control systems; radio direction finding systems and optical beacons; electronic data display systems, airport flight information systems, time-temperature signs, and illuminated outdoor signs for merchandising. Other plants are located in Kokomo, Indiana; York, Pennsylvania; Peoria, Illinois; Cheshire and Danbury, Connecticut; San Diego, California; Montreal, Canada; Vienna, Virginia.

Hydra-Tool Company, Inc.
Greenwood, Mississippi

Manufacturer of patented hydraulic metal fabricating machines.

Melweb Signs, Inc.
P.O. Box 986
Daytona Beach, Florida 32015
(904) 225-1901

Manufacturing, installation, maintenance and leasing illuminated signs and outdoor advertising.

York-Shipley, Inc.
P.O. Box 349
York, Pennsylvania 17405
(717) 755-1081

Manufactures commercial and industrial heating, ventilating, air conditioning, air handling, air pollution control, steam generating, and waste energy conversion systems.

Bay Harbor Marina, Inc.
Bay City, Michigan

Marina providing mooring, storage, sales and repair of boats.

City Sign Service of Stuart, Inc.
Stuart, Florida

Owns and operates outdoor bulletin boards and manufactures illuminated outdoor identification signs in the mid-eastern Florida area.

Republic Electric & Development Co.
Peoria, Illinois

Operating as the "Redco Division" of the Company, engaged in the manufacture and sale of switch gear, electric and controls for powering generating, water, sewage and continuous process systems.

Vega Precision Laboratories, Inc.
800 Follin Lane
Vienna, Virginia 22180
(703) 938-6300

Designs and manufactures radar transponders, radar tracking systems, simulators, data and comm-and control systems, airborne antennas, microwave systems and devices, and location and navigation systems for land, sea, and air vehicles.

Ocean Applied Research Corporation

Engaged in the manufacture and sale of automatic radar direction finding systems, radio beacons and optical beacons.

Data Control Systems, Inc.
Danbury, Connecticut

Transfer Agent(s):

Maryland National Bank
225 N. Calvert Street
Baltimore, Maryland 21202

Stock Exchange(s): American

Ticker Symbol: CDC

Number of Employees:

1981	1,580	1978	1,150
1980	1,560	1977	1,228
1979	1,650		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 83,830,249	$ 1,593,090
1980	76,664,243	1,534,527
1979	59,717,731	1,578,108
1978	45,942,725	647,026
1977	44,708,000	1,144,610

	No. of Com. Shares #	Earn. per Share # ‡
1981	1,000,623	$ 1.47
1980	1,006,184	1.30
1979	1,053,695	1.27
1978	1,055,316	0.44
1977	1,070,402	0.89

+ Of continuing operations only.

‡ Including extraordinary credits of $162,400 ($0.16 per share) in 1980, $286,000 ($0.27 per share) in 1979 and $66,790 ($0.06 per share) in 1978.

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenues By Line of Business
(000's)

	1981	1980
Energy & Environment	$ 24,498	$ 21,935
Precision Products	8,560	10,339
Visual Communications	27,430	24,702
Control Systems	23,342	19,688
Total	$ 83,830	$ 76,664

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	1-for-3†

† Reverse stock split.

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1981	$ 8,101,453	$ 8.10
1980	6,700,209	6.66
1979	5,712,444	5.42
1978	4,585,377	4.35
1977	4,283,734	4.00

After allowing for preferred stock at liquidation values.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 83,830,249	$ 76,664,243
Cost of sales	58,734,868	55,831,433
Expenses	17,948,690	15,275,563
Other income	(743,198)	(450,486)
Interest expense	4,483,956	3,391,406
Income before taxes	$ 3,405,933	$ 2,616,327
Income taxes	1,583,400	1,244,200
Minority interest	53,839	—
Equity in loss	175,604	—
Net Income	$ 1,593,090	$ 1,372,127
Extraord. credit	—	162,400
Net Income & Extraord. Credit	$ 1,593,090	$ 1,534,527

*Included in Costs and Expenses, Depreciation and Amortization: $1,803,363 in 1981 and $1,620,163 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 960,013	$ 812,107
Cert. of deposit	940,688	210,876
Accts. receiv., net	14,997,833	13,613,166
*Inventories	16,595,596	15,442,947
Prepaid expenses	1,175,238	941,427
Current Assets	$ 34,669,368	$ 31,020,523
Marketable equity secur. at market val.	209,960	275,572
#Fixed assets	13,829,196	12,473,189
Other assets	1,532,881	1,536,551
Total Assets	$ 50,461,291	$ 45,305,835

Liabilities

Notes payable & Long-term debt. curr.	$ 11,861,432	$ 9,990,153
Accts. payable	5,899,406	5,809,797
Accruals	3,344,120	3,051,469
Customer deposits	1,354,444	757,636
Dividends payable	87,933	90,077
Income taxes	344,529	401,733
Curr. Liabilities	$ 22,891,864	$ 20,100,865
Long-term debt	15,702,765	15,856,195
Deferred inc. taxes	106,290	282,069
Deferred compensation	634,285	460,811
Deferred credit	1,261,155	146,155
Minority interest	53,839	—
Redeem. pref. stock	499,500	
+ Preferred Stock		
Series A	900,000	900,000
Series B	310,140	310,140
+ + Common Stock	790,663	790,663
Add. paid-in capital	541,184	541,184
Retained earnings	7,529,387	6,062,531
Treasury stock	(321,564)	(321,564)
Loss on marketable equity security	(438,217)	(372,605)
Total Liabilities & Shareholders' Equity	$ 50,461,291	$ 45,305,835

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.06	3.41
%Net Income to Sales	1.90	1.79
%Net Income to Equity	17.11	17.35
Sales to Inventories	5.05	4.96
Working Capital	$11,777,504	$10,919,658
Current Ratio	1.51	1.58
Shareholders' Equity	$ 9,311,593	$ 7,910,349

Compugraphic Corporation

200 Ballardvale Street
Wilmington, Massachusetts 01887
(617)944-6555

Note: On February 1, 1982, Agfa-Gevaert, N.V., a Belgian company which is an indirect, wholly owned subidiary of Bayer AG of West German, acquired 69% of the common stock of Compugraphic Corporation.

Officers: Carl E. Dantas, president & chief executive officer; Fred J. Butler, v.p.-finance & treasurer; David E. Costa, v.p.-corporate planning; Vincent M. Kaseta, v.p.-industrial relations; David D. Lundquist, sr. v.p.-research and engineering; Bryan E. Newman, sr. v.p.-marketing; Richard Renwick, sr. v.p.-operations; Donald C. Wile, sr. v.p.-graphics products group; Richard L. Ballantyne, general counsel & clerk.

Directors: Carl E. Dantas, Hamilton B. Bowman, Kenneth G. Fisher, Robert F. McCormick, Richard S. Morse, Joseph W. Powell, Jr., John K. Spring.

Areas of Work: Manufactures digitized phototypesetters. The modular composition systems manufactured consist of a keyboard, CRT, disk drive and a programmable mini computer. The phototypesetters form type characters, rules and other symbols by exposing photosensitive material to concentrated beams of light.

Acquisition(s):

One Systems
Oceanside, California
Manufactures front end systems which interface with phototypesetters and related software.

Transfer Agent(s):

State Street Bank & Trust Co.
225 Franklin Street
Boston, Massachusetts 02101

Stock Exchange(s): New York, Boston, Philadelphia.

Ticker Symbol: CPU

Number of Employees:

1981	4,334	1978	3,732
1980	4,756	1977	2,820
1979	5,285		

Sales and Earnings

	Revenues	Net Income
1981	$ 278,145,000	$ (6,662,000)
1980	277,355,000	8,732,000
1979	252,811,000	18,300,000
1978	181,053,000	13,594,000
1977	129,945,000	9,609,000

	No. of Com. Shares	Earn. per Share #
1981	4,958,000	$ —
1980	4,924,000	1.72
1979	4,882,000	3.58
1978	4,576,000	2.74
1977	4,425,000	2.02

(Loss)
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.14	—	—
1980	0.28	—	—
1979	0.24	—	—
1978	0.17	—	—
1977	0.11	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 89,934,000	$ 18.14
1980	96,478,000	19.59
1979	88,228,000	18.07
1978	68,645,000	14.53
1977	53,853,000	11.78

Income Account *
(000's)

Year ended	10/3/81	9/27/80
Revenues	$ 278,145	$ 277,355
Cost of sales	156,090	135,082
Expenses:		
Install.,serv., & warranty	29,513	30,226
Sell., gen., & ad in.	82,716	78,138
Eng., res., & develop.	13,188	14,956
Emp. profit sharing	—	1,199
Interest expense	11,839	6,826
Inc. (loss) before taxes	$ (15,201)	$ 10,928
Inc. taxes (credit)	(8,539)	2,196
Net Income (Loss)	$ (6,662)	$ 8,732

Assets
(000's)

As at	10/3/81	10/27/80
Cash	$ 5,067	$ 4,796
Accts. receiv., net	58,967	59,329
Refundable taxes	8,149	4,100
*Inventories	68,476	73,038
Prepaid inc. taxes	4,386	—
Prepaid expenses	4,239	5,772
Current Assets	$ 149,284	$ 147,035
Investments in unconsal. subsid.	359	788
#Fixed assets	70,273	65,741
Total Assets	$ 219,916	$ 213,564

Liabilities
(000's)

Notes payable	$ 9,423	$ 8,496
Long-term deb. curr.	1,310	1,272
Accts. payable	14,043	13,851
Cust. deposits	2,128	2,437
Accruals	25,831	23,572
Accrued inc. taxes	—	2,499
Curr. Liabilities	$ 52,735	$ 52,127
Long-term debt	65,703	60,461
Deferred inc. taxes	11,544	4,498
+ Common stock	248	246
Stock purch. warrants	180	180
Add. paid-in capital	26,077	25,247
Retained earnings	63,429	70,805
Total Liabilities & Shareholders Equity	$ 219,916	$ 213,564

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.94
%Net Income to Sales	—	3.15
%Net Income to Equity	—	9.05
Sales to Inventories	4.06	3.80
Working Capital	$96,549,000	$94,908,000
Current Ratio	2.83	2.82
Shareholders' Equity	$89,934,000	$96,478,000

CompuScan, Inc.

900 Huyler Street
Teterboro, New Jersey 07608
(201) 288-6000

Officers: Bruce Bambrough, chairman; Robert S. Bernstein, president & chief exec. officer; Marvin Weiss, v.p.-engineering; Jacob Millman, v.p.-staff; Vincent P. Marasco, exec. v.p. & chief financial officer; Fred J. Silva, v.p.-mfg.; Carol M. Darrow, secretary.

Directors: Michel R. Bailleul, William T. Burgin*, Bruce Bambrough, Derrick Ashcroft, Robert W. Fischer, Daniel Sinnott.

*Member of Executive Committee.

Areas of Work: Designs, manufactures and markets data acquisition sysyems, optical character reading systems and computer peripheral equipment.

Subsidiaries:

CompuScan International (DISC)

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CSCN (NASDAQ)

Number of Employees:

1980	300	1978	250
1979	300		

Plant Footage:

1980	39,000 sq. ft.	1978	39,000
1879	39,000		

Sales and Earnings

	Net Sales	Net Income ‡
1980	$ 18,186,000	$ (6,163,000)
1979	14,965,000	276,000
1978	7,168,000	(7,684,000)
1977	13,708,000	1,223,000
1976	13,090,000	1,627,000

	No. of Com. Shares #	Earn. per Share # ‡
1980	2,474,555	—
1979	2,109,389	$0.13
1978	2,056,447	—
1977	2,129,177	0.56
1976	1,670,005	0.97

(Loss)

‡ Including extraordinary credits of $123,000 ($0.06 per share) in 1979, $227,000 ($0.13 per share) in 1976, and extraordinary loss of $330,000 in 1980.

# Based on average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1980	1979	1978	1977
OCR machines	94.0%	89.0%	98.0%	72.7%
Storage & editing systems	6.0	11.0	2.0	24.0

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ (601,000)	$ —
1979	2,060,000	0.83

(Deficiency)

‡ Based on average number of common shares and common share equivalents outstanding.

Income Account *

Year ended May 31	1980	1979
Net sales	$ 18,186,000	$ 14,965,000
Cost of sales	13,954,000	7,285,000
Expenses	6,525,000	4,673,000
Res. develop., engr. & prog. costs	2,216,000	1,656,000
Interest & other exp.	1,324,000	1,056,000
Income (loss) before taxes	$ (5,833,000)	$ 295,000
Income taxes	—	142,000
Net Income (loss)	$ (5,833,000)	$ 153,000
Extraord. gain (loss)	(330,000)	123,000
Net Income (Loss) & extraord. items	$ (6,163,000)	$ 276,000

* Included in Costs and Expenses, Depreciation and Amortization: $829,000 in 1980 and $405,000 in 1979.

Assets

As of May 31	1980	1979
Cash	$ 447,000	$ 576,000
Accts. receiv., net	3,796,000	4,045,000
* Inventories	4,080,000	5,606,000
Curr. Assets	$ 8,323,000	$ 10,227,000
# Fixed assets	3,143,000	3,433,000
Other assets	1,171,000	442,000
Total Assets	$ 12,637,000	$ 14,102,000

Liabilities

Notes payable	$ 700,000	$ 135,000
Long-term debt, curr.	—	867,000
Accts. payable	1,514,000	994,000
Accruals	994,000	1,514,000
Curr. Liabilities	$ 4,238,000	$ 3,512,000
Long-term debt	7,500,000	8,427,000
Redeem. pref. stock:		
+ Series B	—	103,000
+ + Series C	1,500,000	—
+ + + Common stock	285,000	209,000
Add. paid-in capital	9,844,000	6,421,000
Retained earnings (deficit)	(10,730,000)	(4,567,000)
Treasury stock	—	(3,000)
Total Liabilities & Shareholders' Equity	$ 12,637,000	$ 14,102,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value; $9 cumulative convertible.

+ + $1 par value; $5 cumulative convertible.

+ + + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.97
%Net Income to Sales	—	1.02
%Net Income to Equity	—	7.43
Sales to Inventories	4.46	2.67
Working Capital	$ 4,085,000	$ 6,715,000
Current Ratio	1.96	2.91
Shareholders' Equity (Deficency)	$ (601,000)	$ 2,060,000

Computer & Communications Technology Corp.

495 South Fairview Avenue
Santa Barbara, California 93117
(805) 964-0771

Officers: E.T. Bahre, chairman of the board, chief executive officer & president; Robert J. Leaver, v.p., general counsel & secretary; Robert L. McKay, v.p.-finance; Jerry F. Smith, v.p.-personnel; John M. Gibbons, treasurer.

Directors: E.T. Bahre, chairman of the board; William R. Hambrecht, Stephen A. Koffler, Melvin A. Shader, John C. Lobb.

Areas of Work: Through a group of autonomous operating subsidiaries serving high technology markets, manufactures high technology products for computer applications and high technology microwave products and subsytems for communications and aerospace applications.

Subsidiaries:

Data Peripherals
965 Stewart Drive
Sunnyvale, California 94086

Designs, develops, manufactures and markets peripheral equipment for minicomputer markets.

Information Magnetics Corporation
495 South Fairview Avenue
Goleta, California 93117

Designs, manufactures, refurnishes and sells magnetic disc recording heads used in magnetic recording data storage units (peripheral memories) for data processing systems.

Zeta Laboratories, Inc.
3265 Scott Boulevard
Santa Clara, California 95051

Engaged in the development and manufacture of high-technology microwave components and subsystems for communications and aerospace applications. Products include: synthesizers, oscillators, multipliers, doppler simulators, comb generators and tubable filters.

Information Magnetics Caribe Inc.
P.O. Box 758, Road 125 KM1.0
Moca, Puerto Rico

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division 2-70
P.O. Box 60228
Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCTC (NASDAQ)

Number of Employees:

1981	1,769	1978	819
1980	1,320	1977	1,000
1979	852		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 61,711,000	$ 6,208,000
1980	46,253,000	3,423,000
1979	36,454,000	2,292,000
1978	27,469,000	815,000
1977	28,027,000	(514,000)

	No. of Com. Shares #	Earn. per Share #
1981	6,552,000	$ 0.95
1980	5,236,000	0.65
1979	4,632,000	0.49
1978	4,138,000	0.20
1977	3,774,000	—

(Loss)

+ Of continuing operations only.

Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 59,396,000	$ 9.07
1980	18,044,000	3.45
1979	13,645,000	2.95
1978	8,559,000	2.07
1977	7,660,000	2.03

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/2/82	12/27/80
Net sales	$ 61,711	$ 46,253
Other income	4,491	884
Total income	$ 66,202	$ 47,137
Cost of sales	43,187	30,057
Eng. & develop. exp.	5,099	3,789

Computer & Communications Technology Corp.

Selling, gen. & adm. exp.		8,476		6,767
Interest expense		144		249
Income before taxes	$	9,296	$	6,275
Income taxes		3,088		2,852
Net Income	$	6,208	$	3,423

* Included in Costs and Expenses, Depreciation and Amortization: $1,325,000 in 1981 and $1,175,000 in 1980.

Assets
(000's)

As of		1/2/81		12/27/80
Cash	$	32,466	$	6,738
Trade receiv.		14,912		7,066
*Inventories		9,627		6,360
Other curr. assets		1,301		1,048
Current Assets	$	58,306	$	21,212
Market. securities		1,000		—
Notes receiv.		821		107
#Fixed assets		9,543		3,829
Intangibles		2,706		2,778
Total Assets	$	72,376	$	27,926

Liabilities
(000's)

Notes payable, curr.	$	748	$	1,104
Accts. payable		7,135		3,484
Accruals		2,308		3,141
Income taxes		884		1,027
Curr. Liabilities	$	11,075	$	8,756
Long-term notes pay.		1,297		957
Deferred inc. taxes		608		169
+Common stock		2,744		1,009
Add. paid-in capital		42,752		9,391
Receiv. from sale of stock		(26)		(74)
Retained earnings		13,926		7,718
Total Liabilities & Shareholders' Equity	$	72,376	$	27,926

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.06	13.57
%Net Income to Sales	10.06	7.40
%Net Income to Equity	10.45	18.97
Sales to Inventories	6.41	7.27
Working Capital	$47,231,000	$12,456,000
Current Ratio	5.26	2.42
Shareholders' Equity	$59,396,000	$18,044,000

Computer Automation, Inc.

4890 Sterling Drive
Boulder, Colorado 80301
(303) 444-8748

Officers: David H. Methvin, president & chief executive officer; Douglas L. Cutsforth, v.p. & general manager-Industrial Products Division; Stuart F. Dale, v.p.-international operations; Geoffrey Salkeld, v.p. & general manager-Commercial Systems Division; Arthur A. Shafran, v.p.-finance & treasurer; Gordon M. Watson, v.p. & general manager-NAKED MINI Division; Ira L. Robinson, secretary.

Directors: George Pratt, Robert E. Rawlins, Harold R. Frank, R.C. Mercure, Jr., David H. Methvin.

Areas of Work: Engaged in the development and production of minicomputers for original equipment manufacturers; also produces computerized systems built to test electronic circuitry, and distributed network systems for the decentralized facilities of large corporations. Also, markets CRT's and power supplies.

Divisions and Subsidiaries:

NAKED MINI Division
18651 Von Karman Avenue
Irvine, California 92713
(714) 833-8830

Commercial Systems Division
2181 Dupont Drive
Irvine, California 92713
(714) 833-8830

Industrial Products Division
2181 Dupont Drive
Irvine, California 92713
(714) 833-8830

Computer Automation, Ltd.
Hertford House
Denham Way, Maple Cross
Rickmansworth WD32XD
Hertfordshire, England

Compuer Automation S.A.R.L.
Creteil Expansion
9-11 Rue Georges Enesco
9400 Creteil, France

Computer Automation GmbH
Bleichstrasse 60-62
6000 Frankfurt/Main
West Germany

Computer Automation Ireland Ltd.
IDA Industrial Estate
Clonsaugh, Coolock
Dublin 5, Ireland

Joint Venture:

Computer Automation (India) Ltd.
Unit 8 S.D.F.
Santa Cruz Electronics
Export Processing Zone, Anheri (East)
Bombay, India 40096

Transfer Agent(s):
Union Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CAUT (NASDAQ)

Number of Employees:

1981	1,149	1979	1,399
1980	1,338	1978	1,100

Plant Footage:

1981	415,146 sq. ft.	1979	378,000
1980	377,011	1978	335,000

Sales and Earnings

		Revenue		Net Income
1981	$	75,588,000	$	1,650,000
1980		81,151,000		4,601,000
1979		63,506,000		(4,188,000)
1978		61,380,000		6,144,000
1977		43,037,523		5,317,344

	No. of Com. Shares +	Earn. per Share +
1981	2,033,829	$ 0.81
1980	1,999,089	2.30
1979	1,969,870	—
1978	1,993,496	3.08
1977	1,951,196	2.72

(Loss)
+ Based on weighted average number of shares outstanding assuming full dilution.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	0.20	—	—
1978	0.20	—	—
1977	0.14	—	—

Common Stock Equity

		Total Equity	Equity Per Share +
1981	$	28,623,000	$ 14.07
1980		26,496,000	13.25
1979		21,357,000	10.84
1978		25,687,000	12.89
1977		19,098,633	9.79

+ Based on weighted average number of shares outstanding assuming full dilution.

Income Account *

Year ended June 30		1981		1980
Revenue	$	75,588,000	$	81,151,000
Cost of prods. & serv.		38,368,000		39,213,000
Expenses		33,109,000		33,509,000
Interest expense		1,750,000		2,242,000
Other (income)		(143,000)		(363,000)
For. curr. trans.		530,000		(296,000)
Income before taxes	$	1,974,000	$	6,846,000
Income taxes		324,000		2,245,000
Net Income	$	1,650,000	$	4,601,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,015,000 in 1981 and $1,649,000 in 1980.

Assets

As of June 30		1981		1980
Cash	$	851,000	$	1,362,000
Accts. receiv. net		18,861,000		20,622,000
*Inventories		16,698,000		20,441,000
Prepaid expenses		400,000		665,000
Refund. taxes		1,434,000		48,000
Deferred tax benefits		1,236,000		2,152,000
Current Assets	$	39,480,000	$	45,290,000
# Fixed assets		7,563,000		5,233,000
Other assets		260,000		364,000
Total Assets	$	47,303,000	$	50,887,000

Liabilities

Notes payable	$	—	$	10,350,000
Long-term debt, curr.		84,000		69,000
Accts. payable		3,961,000		5,840,000
Accruals		4,448,000		4,422,000
Income taxes		1,059,000		1,720,000
Curr. Liabilities	$	9,552,000	$	22,401,000
Long-term notes payable		5,500,000		—
Oblig. under cap. lease		2,416,000		1,550,000
Deferred income		1,212,000		440,000
+ Common stock		204,000		200,000
Add. paid-in capital		9,271,000		8,551,000
Contrib. under emp. stock plan		213,000		460,000
Retained earnings		19,276,000		17,626,000
Note receivable		(341,000)		(341,000)
Total Liabilities & Shareholders' Equity	$	47,303,000	$	50,887,000

*At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.61	[illegible].44
%Net Income to Sales	2.18	5.67
%Net Income to Equity	5.76	17.36
Working Capital	$29,928,000	$22,889,000
Current Ratio	4.13	2.02
Shareholders' quity	$28,623,000	$26,496,000

Computer Communications, Inc.

2610 Columbia Street
Torrance, California 90503
(213) 320-9101

Officers: Raymond E. High, chairman of the board & president; Carlton E. Vanderbeek, exec.v.p.; Ervin K. Dorff, sr. v.p.; Gene G. Ruckh, v.p.-finance; Harold L. Ridout, v.p.-manufacturing; Papken Sassouni, v.p.-special marketing; James P. Fugere, v.p.-research & development; Charles B. Bailey, Jr. v.p.-sales; Jesse J. Acciacca, v.p.-customer service; Eugene M. Geffan, treasurer & secretary.

Directors: Raymond E. High, Carlton E. Vanderbeek, Ervin K. Dorff, Arnold W. Morrison, Sidney H. Stires.

Areas of Work: CCI is a computer systems firm offering a complete range of system design, engineering and program development, data communications products include display/communications terminals, a communications processing computer with a complete set of associated storage units, peripheral devices and communications line interface modules, and complete data communications systems which utilize these products as components integrated together with operating software.

NOTE: As of November 6, 1980, the company has been operating as a debtor in possession under Chapter 11 of the Federal Bankruptcy Code.

Subsidiaries:

C.C. Systems

Transfer Agent(s):

Wells Fargo Bank
P.O. Box 30407, Terminal Annex
Los Angeles, California 90030

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	170	1978	352
1980	214	1977	250
1979	349		

Plant Footage:

1981	50,000 sq. ft.	1978	50,000
1980	50,000	1977	50,000
1979	50,000		

Sales and Earnings

	Revenues ‡	Net Income #
1981	$ 11,006,139	$ (7,755,509)
1980	14,226,471	(7,000,392)
1979	18,615,860	875,705
1978	16,727,369	793,023
1977	13,522,380	1,813,693

	No. of Com. Shares	Earn.per Share # +
1981	3,811,142	$ —
1980	3,748,241	—
1979	3,604,493	0.24
1978	2,962,856	0.26
1977	2,774,246	0.61

(Loss)

‡ Of continuing operations only.

Including extraordinary gains of $412,000 ($0.11 per share) in 1979, $587,000 ($0.19 per share) in 1978 and $923,000 ($0.31 per share) in 1977.

+ Based on the weighted average number of common shares and commmon share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ (4,955,217)	$ —
1980	2,395,861	0.64
1979	8,755,587	2.43
1978	3,792,319	1.28
1977	2,885,960	1.04

(Deficiency)

Income Account *

Year ended June 30	1981	1980
Net sales	$ 10,702,261	$ 13,915,260
Other income	303,878	311,211
Total income	$ 11,006,139	$ 14,226,471
Cost of sales	10,414,086	11,191,061
Expenses	5,304,734	8,410,800
Interest expense	1,690,576	1,625,002
Cum. effect of change in acctng. meth.	1,352,252	—
Net Loss	$ (7,755,509)	$ (7,000,392)

* Included in Costs and Expenses, Depreciation and Amortization: $420,269 in 1981 and $476,146 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 175,208	$ 10,087
Accts. receiv. net	2,643,088	7,126,804
Notes receivable	111,358	290,736
*Inventories	5,022,520	5,822,841
Prepaid expenses	—	84,024
Current Assets	$ 7,952,174	$ 13,334,492
Receivables	480,664	802,309
#Fixed assets	1,170,417	1,826,989
Equip. under lease	—	846,255
Resid. value of leases	—	350,508
Other assets	71,941	122,945
Total Assets	$ 9,675,196	$ 17,283,498

Liabilities

	1981	1980
Long-term debt. curr.	$ 6,587,849	$ 7,444,301
Accts payable	5,147,747	3,602,470
Accruals	2,576,847	1,831,841
Curr. Liabilities	$ 14,312,443	$ 12,878,612
Long-term debt	317,970	2,009,025
+Common stock	3,811,142	3,748,241
Add. paid-in capital	14,931,857	14,603,695
Deficit	(23,312,024)	(15,556,515)
Notes receivable	(386,192)	(399,560)
Total Liabilities & Shareholders' Equity	$ 9,675,196	$ 17,283,498

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

Sales to Inventories	2.13	2.39
Working Capital	—	$ 455,880
Current Ratio	—	1.04
Shareholders' Equity (Deficiency)	$(4,955,217)	$2,395,861

Computer Consoles, Inc.

97 Humboldt Street
Rochester, New York 14609
(716) 482-5000

Officers: Herman A. Affel, Jr., pres[illegible]easurer; Jeffrey Tai, senior v.p.-operations; Gary D. Hay[illegible]es, v.p.-marketing; William N. Stirlen, v.p.-corp. development; Robert L. Brorein, v.p.-manufacturing; Arthur A. Russell, v.p.-controller & assistant secretary; J. William Reeves, secretary; Martin J. Cournan, v.p.-national sales; William F. Deller, v.p.-engineering; Glenn A. Marshall, v.p.-field service.

Directors: Herman A. Affel*, Jr., George S. Beinetti*, Norman O. Bender, Jr.*, Edgar F. Heizer, Jr., Raymond S. Livingstone, Jr., Jeffrey Tai, Justin L. Vigdor, H. Martin Weingartner.

* Member of Executive Committee.

Areas of Work: Designs, develops, manufactures, markets, and services a variety of mini-computer-based application-oriented file management systems which are primarily sold or leased to telephone companies.

Transfer Agent(s):

Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): American

Ticker Symbol: CCS

Number of Employees:

1981	846	1978	437
1980	712	1977	381
1979	590		

Plant Footage:

1981	195,000 sq. ft.	1978	110,000
1980	110,000	1977	110,000
1979	110,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 50,674,404	$ 6,301,481
1980	44,149,592	4,837,278
1979	28,072,314	3,505,461
1978	17,550,543	1,233,648
1977	15,962,000	852,000

	No. of Com. Shares †	Earn. per Share +
1981	5,357,347	$ 1.12
1980	5,243,407	0.96
1979	3,785,328	0.79
1978	3,607,394	0.31
1977	1,706,962	0.23

† Adjusted to reflect stock dividend.

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 33,626,225	$ 6.28
1980	25,700,905	4.90
1979	10,253,834	2.71
1978	6,268,962	1.74
1977	2,896,302 ‡	1.70

‡ After allowing for preferred stock at par value.

† Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 39,972,944	$ 35,598,353
Rental & serv. inc.	10,701,460	8,551,239
Total revenues	$ 50,674,404	$ 44,149,592
Cost of revenues	21,107,238	21,241,469
Expenses	24,800,723	15,710,637
Oper. profit	$ 4,766,443	$ 7,197,486
Interest expense	38,808	932,988
Interest income	(794,996)	—
Income before taxes	$ 5,522,631	$ 6,264,498
Income taxes	1,590,900	2,726,200
Earn. of unconsol. sub.	(2,369,750)	(1,298,980)
Net Income	$ 6,301,481	$ 4,837,278

* Included in Costs and Expenses, Depreciation: $2,024,430 in 1981 and $1,567,284 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 788,168	$ 3,246,390
Accts. receiv., net	5,331,329	6,360,426
Receiv. fr. finance subsid.	15,817,478	5,220,199
*Inventories	12,644,063	13,924,301
Prepaid expenses	359,633	392,534
Current Assets	$ 34,940,671	$ 29,143,850
Notes receivable	981,825	821,350
#Fixed assets	10,750,150	4,374,096
Other assets	1,833,967	1,193,911
Invest. in unconsol. subsid.	5,093,178	2,387,719
Total Assets	$ 53,599,791	$ 37,920,926

Liabilities

	1981	1980
Accts. payable	$ 3,210,878	$ 1,766,149
Accruals	4,505,408	3,099,058
Curr. Liabilities	$ 7,716,286	$ 4,865,207
Advance payments	527,387	684,350
Deferred inc. taxes	6,354,871	5,537,982
Def. dir. fin. lease inc.	5,375,022	1,132,282
+Common stock	535,735	524,341
Add. paid-in capital	16,984,323	15,371,878
Retained earnings	16,106,167	9,804,686
Total Liabilities & Shareholders' Equity	$ 53,599,791	$ 37,920,926

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	10.90	14.19
%Net Income to Revenues	12.44	10.96
%Net Income to Equity	18.74	18.82
Working Capital	$27,224,385	$24,278,643
Current Ratio	4.53	5.99
Shareholders' Equity	$33,626,225	$25,700,905

Computer Image Corporation

2475 West Second Avenue
Suite 4
Denver, Colorado 80223
(303) 934-5801

Officers: Lee Harrison III, chairman of the board & president; Pete Freyschlag, v.p.-production operations; Edwin J. Tajchman, vice president-engineering & secretary-treasurer; Gerald Farr, v.p.-corp. planning & marketing.

Directors: Lee Harrison III, chairman; Paul Bullock; David D. Connell, Robert C. Gathers, Daniel J. Yomine, Mark G. Benz.

Areas of Work: Engaged in the development, manufacture and marketing of electro-visual communication products, including Scanimate graphic animation systems and devices. Provides software for industrial, government and educational markets; character animation systems and film production.

Subsidiary:

Computer Image Overseas Corporation (DISC)
Denver, Colorado

Transfer Agent(s):

Mountain States Stock Transfer Agents, Inc.
470 South Colorado Boulevard
Suite 201
Denver, Colorado 80222

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CIMG (NASDAQ)

Number of Employees:

1980	32

Plant Footage:

1980	10,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 1,440,000	$ 161,264
1980	1,500,000	104,310
1979	1,078,000	42,659
1978	836,000	67,475
1977	552,000	(44,197)

	No. of Com. Shares	Earn. per Share ‡†
1981	1,484,170	$ 0.11
1980	1,484,170	0.07
1979	1,474,170	0.03
1978	1,474,170	0.05
1977	1,467,170	—

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.
‡ Including extraordinary gains of $56,000 ($0.04 per share) in 1981, $28,000 ($0.02 per share) in 1980, $11,200 ($0.01 per share) in 1979, $22,500 ($0.02 per share) in 1978.

Income Account *

Year ended June 30	1981	1980
Revenues	$ 1,440,556	$ 1,500,638
Cost of sales and services	495,616	441,930
Cost of computer system sold	-	162,950
Expenses	546,048	575,962
Depreciation & amortization	183,491	154,235
Interest expense	52,137	61,251
Income before taxes	$ 161,264	$ 104,310
Income taxes	56,000	28,000
Net Income	$ 105,264	$ 76,310
Extraordinary gain	56,000	28,000
Net Income & extraordinary gain	$ 161,264	$ 104,310

Assets

As of June 30	1981	1980
Cash	$ 2,829	$ 36,998
Accts. & contracts receiv., net	131,360	111,045
*Inventories	385,926	74,680
Prepaid expenses & other assets	10,710	10,790
Current Assets	$ 530,825	$ 233,513
Note receivable	134,000	134,000
#Fixed assets	1,155,909	1,107,475
Intangibles	76,139	86,024
Total Assets	$ 1,896,873	$ 1,561,012

Liabilities

	1981	1980
Notes payable	$ 423,829	$ 81,306
Long-term debt, curr.	124,618	130,876
Accts. payable	132,652	122,236
Accruals	84,927	82,175
Deposit	50,000	—
Curr. Liabilities	$ 816,026	$ 416,793
Long-term debt	500,142	612,604
Deferred income	751,870	864,044
+Common stock	148,417	148,417
Add. paid-in capital	3,804,989	3,804,989
Deficit	(4,124,571)	(4,285,835)
Total Liabilities & Shareholders' Equity	$ 1,896,873	$ 1,561,012

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	11.19	6.95
%Net Income to Revenues	7.31	5.09
Shareholders' Equity (Deficiency)	$(171,165)	$(332,429)

Computer Operations, Inc.

5001 J Forbes Boulevard
Lanham, Maryland 20801
(301) 459-2100

Officers: W. Ronald Davies, chairman of the board; Stephen E. Silverman, president; David W. Mason, secretary & treasurer; Stanislaw B. Michalski, v.p.-marketing & sales; Donald L. Watson, v.p.-mfg.

Directors: W. Ronald Davies, Stephen E. Silverma, Robert Kharasch, Howard L. Morgan, Philip K. Edwards.

Areas of Work: Maufactures and markets peripheral equipment for small scale or "mini" computer systems, peripheral equipment for numerically controlled machine tools and video character generators.

Divisions:

Knox Video Products
Manufactures video character generators used to superimpose alphanumeric information over a televised picture. Products are used in the broadcast industry as well as in educational and industrial studios.

Computer Operations International, Inc. (DISC)
Lanham, Maryland

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland 21203

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	42	1978	19
1980	35	1977	18
1979	25		

Plant Footage:

1981	16,850 sq. ft.	1978	8,640
1980	8,640	1977	8,640
1979	8,640		

Sales and Earnings

	Revenues	Net Income
1981	$ 2,636,957	$ 21,938
1980	2,220,628	160,156
1979	1,572,387	129,050
1978	1,400,445	161,596
1977	1,120,207	57,970

	No. of Com. Shares +	Earn. per Share +
1981	447,954	$0.05
1980	447,954	0.36
1979	418,754	0.31
1978	407,807	0.40
1977	406,346	0.14

+ Based on the daily average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	—	6%	—
1980	—	6%	—
1979	$0.08	6%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 1,300,758	$2.90
1980	1,278,820	2.85
1979	1,118,664	2.67
1978	953,262	2.34
1977	790,166	1.94

‡ Based on the daily average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Feb. 28	1981	1980
Net sales	$ 2,636,957	$ 2,220,628
Cost of sales	1,270,083	957,848
Expenses	1,294,340	1,009,953
Other expenes	63,366	38,241
Income before taxes	$ 9,168	$ 214,586
Income taxes (credit)	(12,770)	54,430
Net Income	$ 21,938	$ 160,156

* Included in Costs and Expenses, Depreciation and Amortization: $78,219 in 1981 and $73,969 in 1980.

Assets

As of Feb. 28	1981	1980
Cash	$ 24,273	$ 38,269
Accts. receiv., net	658,367	446,104
Refundable taxes	25,104	2,891
* Inventories	781,159	669,684
Prepaid expense	13,788	12,613
Current Assets	$ 1,477,587	$ 1,166,670
@ Fixed assets	377,485	310,292
Other assets	99,282	120,242
Total Assets	$ 1,954,354	$ 1,597,204

Liabilities

Long-term debt, curr.	$ 47,352	$ 45,620
Accts. payable	278,604	144,822
Accruals	22,070	69,450
Deferred inc. taxes	5,570	5,570
Loan payable	300,000	—
Curr. Liabilities	$ 653,596	$ 265,462
Long-term debt	—	47,352
Deferred inc. taxes	—	5,570
+ Common stock	22,679	21,400
Add. paid-in capital	899,037	695,716
Retained earnings	384,017	566,679
Treasury stock	(4,975)	(4,975)
Total Liabilities & Shareholders' Equity	$ 1,954,354	$ 1,597,204

* At lower of cost (FIFO) or market.
@ Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.35	9.66
%Net Income to Sales	0.83	7.21
%Net Income to Equity	1.69	12.52
Sales to Inventories	3.38	3.32
Working Capital	$ 823,991	$ 901,208
Current Ratio	2.26	4.39
Shareholders' Equity	$ 1,300,758	$ 1,278,820

Computer Products, Inc.

1400 N.W. 70th Street
Post Office Box 23849
Fort Lauderdale, Florida 33307
(305) 974-5500

Officers: David Yoder, chairman of the board, president & chief executive officer; J. Earl Templeton, executive v.p. & chief operating officer; Edward J. Schneider, v.p. & gen. mgr.-Power Products Group; Keith F. Vreeland, v.p. & gen. mgr.-Measurement and Control Systems; L. Leo Burch, treasurer; Dorothy F. Dwyer, corporate secretary.

Directors: David C. Yoder, Daniel S. Wiper, Edward J. Schneider, Bert Sager, Edward S. Croft, III, Keith F. Vreeland, J. Earl Templeton.

Areas of Work: Designs, manufactures and markets industrial electronic systems, components and instruments. Products include its RTP family of analog and digital systems used in computer directed measurement and control applications. Also manufactures low-power encapsulated power conversion components, low-power digital recorders and other data gathering instruments.

Subsidiaries:

Stevens-Arnold, Inc.
Memodyne corp.
Power Products Ltd.
Computer Products Research Corp.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPRD (NASDAQ)

Number of Employees:

1981	700	1978	275
1980	400	1977	283
1979	400		

Plant Footage:

1980	57,000 sq. ft.	1977	50,000
1979	57,000	1976	40,000
1978	57,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 35,106,000	$ 3,059,000
1980*	29,940,000	2,688,000
1979	22,646,000	1,862,000
1978	16,685,000	1,445,000
1977	13,716,000	1,140,000

	No. of Com. Shares ×	Earn. per Share ×
1981	6,970,000	$ 0.44
1980	6,479,000	0.41
1979	5,941,000	0.31
1978	5,830,000	0.25
1977	5,395,000	0.21

‡ Restated to include operations of companies acquired on a pooling of interests basis.
* 53 weeks
× Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	33⅓%	—
1980	—	20%	—
1979	—	20%	—
1978	—	20%	—
1977	—	20%	—

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 19,191,000	$ 2.75
1980	16,296,000	2.34
1979	9,061,000	1.52
1978	7,191,000	1.21
1977	4,023,000	0.74

† Restated.
‡ Adjusted to reflect stock dividends.

Income Account *

Year ended	1/1/82	1/2/81 ‡
Net sales	$ 35,106,224	$ 29,940,053
Cost of sales	19,565,160	16,972,253
Expenses	11,311,076	8,413,522
Interest expense (inc.)	(750,955)	189,325
Income before taxes	$ 4,980,940	$ 4,364,953
Income taxes	1,921,553	1,676,796
Net Income	$ 3,059,387	$ 2,688,157

* Included in Costs and Expenses, Depreciation: $573,177 in 1981 and $425,148 in 1980.
‡ Restated.

Assets

As of	1/1/82	1/2/81 ‡
Cash	$ 431,981	$ 412,960
Cert. of deposit	3,500,000	3,526,694
Accts. receiv., net	6,323,522	5,239,884
*Inventories	8,736,455	8,536,679
Prepaid expenses	389,864	212,630
Current Assets	$ 19,381,822	$ 17,748,847
@Fixed assets	4,032,729	3,677,805
Other assets	22,924	20,778
Total Assets	$ 23,707,475	$ 21,447,430

Liabilities

Note payable	$ 89,269	$ 713,967
Accts. payable	880,349	1,400,221
Accruals	1,224,946	1,218,089
Income taxes	1,367,201	852,059
Curr. Liabilities	$ 3,561,765	$ 4,184,336
Notes payable	786,662	878,662
Deferred inc. taxes	168,309	88,305
+ Common stock	69,777	52,279
Add. paid-in capital	8,465,389	8,450,044
Retained earnings	10,655,493	7,793,803
Total Liabilities & Shareholders' Equity	$ 23,707,475	$ 21,447,430

‡ Restated.
* At lower of standard cost (FIFO) or market.
@ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.19	14.58
%Net Income to Sales	8.71	8.98
%Net Income to Equity	15.94	16.50
Sales to Inventories	4.02	3.51
Working Capital	$15,820,057	$13,564,511
Current Ratio	5.44	4.24
Shareholders' Equity	$19,190,659	$16,296,126

Computer Sciences Corporation

650 North Sepulveda Boulevard
El Segundo, California 90245
(213) 615-0311

Officers: William R. Hoover, president; George Barrett, v.p., chief financial officer; Albert Gluckson, v.p., & secretary; Vincent R. Grillo Jr., v.p.-program development; Alvin E. Nashman, v.p.-systems group; Roy Nutt, v.p.; Denis M. Crane, v.p. & controller; Robert T. Knight, v.p., pres-INFONET group; John W. Lake, v.p.; L. Scott Sharpe, v.p.-personnel; Harry A. Southern, v.p. & treasurer.

Directors: William R. Hoover, chairman; George Barrett, Robert H. Bolman, Felix A. Kalinski, Alvin E. Nashman, Roy Nutt, Howard P. Allen.

Areas of Work: The Company provides a variety of technical services on a contractual and proprietary basis. Services related to the planning, design, engineering, development, implementation and operation of computer systems and computer-related communications systems are classified as contract services. The Company also operates a proprietary international remote data processing service called INFONET, together with other proprietary data processing services.

Principal Operating Units:

Systems Group
6565 Arlington Boulevard
Falls Church, Virginia 22046

Applied Technology Division Falls Church, Virginia
Defense Systems Division Moorestown, New Jersey

Systems Sciences Division Silver Spring, Maryland
Systems International Division Herndon, Virginia

Commercial Division 650 North Sepulveda Boulevard El Segundo, California 90245
Information Network Group (INFONET) 2100 East Grand Avenue El Segundo, California 90245
Business Services Division Los Angeles, California

Computer Sciences Canada, Inc. Montreal, Quebec, Canada
Computer Sciences Europe, S.A. Brussels, Belgium
PAID Prescriptions Inc. Paramus, New Jersey

Affiliates:

Computer Sciences of Australia Pty. Ltd.
460 Pacific Highway, St. Leonards
Sydney, New South Wales 2065
Australia

Computer Sciences (Pty.) Ltd.
Juta & Station Streets, Braamfontein
Johannesburg, South Africa

CSC de Venezuela
Torres las Mercedes
Avenida Las Estancia, Chuao
Caracas 1060, Venezuela

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: CSC

Number of Employees:

1980	15,000

Sales and Earnings

	Revenues	Net Income
1982	$ 630,174,000	$ 17,781,000
1981	600,593,000	24,725,000
1980	452,634,000	22,698,000
1979	342,013,000	14,198,000
1978	277,168,000	14,016,000

	No. of Com. Shares ‡	Earn. per Share ‡
1982	13,543,638	$ 1.31
1981	13,583,284	1.82
1980	13,384,847	1.70
1979	13,252,939	1.07
1978	13,946,912	1.00

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1982	1981
Contract Services operations	$ 477,656,000	$ 448,463,000
Data Services operations	152,518,000	152,130,000
Total	$ 630,174,000	$ 600,593,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 119,6[illegible],000	$ 8.81
1981	103,191,000	7.45
1980	75,330,000	5.63
1979	52,048,000	3.93
1978	37,552,000	2.69

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	4/2/82	4/3/81
Revenues	$ 630,174	$ 600,593
Cost of services	517,398	477,144
Overhead	51,746	48,271
Depreciation & amortization	17,293	17,375
Interest expense	4,712	4,889
Interest & other income	(6,359)	(6,172)
Expenses	11,834	11,990
Income before taxes	$ 33,550	$ 47,096
Income taxes	15,769	22,371
Net Income	$ 17,781	$ 24,725

Assets
(000's)

As of	4/2/82	4/3/81
Cash	$ 5,888	$ 15,555
Short-term invest.	16,868	16,872
Receivables	164,718	146,506
Prepaid expenses & other assets	6,498	3,997
Current Assets	$ 193,972	$ 182,930
Investments	32,517	23,290
#Fixed Assets	92,843	77,756
Total Assets	$ 319,332	$ 283,976

Liabilities
(000's)

Long-term debt., curr.	$ 7,029	$ 7,478
Accts. payable	22,062	18,027
Accruals	24,166	17,029
Accrued payroll	35,021	33,914
Advance contract payments	18,591	27,826
Income taxes	42,996	25,769
Curr. Liabilities	$ 149,855	$ 130,043
Long-term debt	10,110	10,598
6% sub. conv. deben.	39,686	42,144
+ Common stock	14,816	14,727
Add. paid-in capital	11,941	11,191
Retained earnings	104,330	86,549
Cum. curr. trans. res.	(400)	—
Treasury stock	11,006	11,276
Total Liabilities & Shareholders' Equity	$ 319,332	$ 283,976

# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income bef. Taxes to Sales	5.32	7.84
%Net Income to Sales	2.82	4.12
%Net Income to Equity	14.86	24.43
Working Capital	$ 44,117,000	$ 52,887,000
Current Ratio	1.29	1.41
Shareholders' Equity	$119,681,000	$101,191,000

Computer Specialties Corporation

544 Tenth Street
Palisades Park, New Jersey 07650
(201) 947-0500

Officers: Edward Silver, president & treasurer; Lawrence Poskin, secretary.

Directors: Emanuel Witnis, Gerald Epner, Lawrence Poskin, Edward Silver.

Areas of Work: Involved in the manufacture and sale of micrographic equipment. Its products include PEPCO MFC Automatic Microfiche Cutter and the PEPCO MFI Microfiche Inspector. The original model of the Microfiche Inspector, the PEPCO RPC roll paper cutter and the PEPCO PC Planetary Camera used for making microimages which can be read by Computer Output Microfilm readers.

Transfer Agent(s):

Continental Stock Transfer Company

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	7	1978	6
1980	7	1977	6
1979	7		

Plant Footage:

1981	3,750 sq. ft.	1978	3,750
1980	3,750	1977	3,750
1979	3,750		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 345,786	$ 69,578
1980	309,763	64,585
1979	265,085	46,603
1978	222,733	36,367
1977	206,053	33,498

	No. of Com. Shares	Earn. per Share ‡†
1981	292,760	$ 0.24
1980	292,760	0.22
1979	292,760	0.16
1978	292,760	0.12
1977	292,760	0.11

‡ Including extraordinary gains of $2,103 ($0.01 per share) in 1980 $7,415 ($0.03 per share) in 1979, $6,186 ($0.02 per share) in 1978, and $5,593 ($0.02 per share) in 1977.
† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 513,236	$ 1.75
1980	443,660	1.52
1979	379,075	1.29
1978	332,472	1.14
1977	296,105	1.01

Income Account *

Year ended June 30	1981	1980
Net sales	$ 345,786	$ 309,763
Cost of sales	189,341	145,236
Expenses	117,712	115,224
Oper. loss	$ 38,733	$ 49,303
Other income	56,410	29,319
Income before taxes	$ 95,143	$ 78,622
Income taxes	25,565	16,140
Net Income	$ 69,578	$ 62,482
Extraord. gain	—	2,103
Net Income & extraord. gain	$ 69,578	$ 64,585

* Included in Costs and Expenses, Depreciation and Amortization: $4,284 in 1981 and $4,988 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 10,702	$ 9,092
Marketable securities	271,538	271,043
Accts. receiv., net	56,432	46,660
*Inventories	88,722	92,657
Prepaid expenses & other receiv.	1,610	2,446

Current Assets	$ 429,004	$ 421,898
#Fixed assets	24,075	29,394
Other assets	87,149	12,149
Total Assets	$ 540,228	$ 463,441
Liabilities		
Accts. payable	$ 7,729	$ 11,156
Accruals	19,261	8,625
Curr. Liabilities	$ 26,990	$ 19,781
+Common stock	29,276	29,276
Add. paid-in capital	818,138	818,138
Retained earnings (deficit)	(334,176)	(403,754)
Total Liabilities & Shareholders' Equity	$ 540,228	$ 463,441

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	27.51	25.38
%Net Income to Sales	20.12	20.17
%Net Income to Equity	13.56	14.08
Sales to Inventories	3.90	3.34
Working Capital	$402,014	$402,117
Current Ratio	15.89	21.33
Shareholders' Equity	$513,238	$443,660

Computer Terminal Systems, Inc.

65 South Service Road
Plainview, New York 11802
(516) 752-0222

Officers: Gerald Schoenberg, chairman & president; Edward Mermelstein, executive v.p.; Kenneth Sonnenberg, secretary & treasurer.

Directors: Edward Mermelstein, Kenneth Sonnenberg, Gerald Schoenberg.

Areas of Work: Manufactures computer peripheral equipment, digital printers and industrial controls.

Transfer Agent(s):

Computer Terminal Systems, Inc.
Plainview, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTML (NASDAQ)

Number of Employees:

1981	90	1978	50
1980	55	1977	30
1979	50		

Plant Footage:

1981	17,000 sq. ft.	1978	12,000
1980	15,000	1977	6,800
1979	12,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 4,191,306	$ 162,017
1980	3,678,890	347,592
1979	3,771,215	372,604
1978	1,964,214	90,468
1977	873,901	(33,654)

	No. of Com. Shares +	Earn. per Share ‡ +
1981	963,620	$ 0.17
1980	963,625	0.36
1979	963,625	0.39
1978	963,625	0.09
1977	963,625	—

(Loss)
+ Adjusted to reflect stock split.
‡Including extraordinary credit of $6,000 ($0.01 per share) in 1978.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 1,660,281	$ 1.72
1980	1,498,264	1.55
1979	1,150,672	1.19
1978	778,068	0.81
1977	687,600	0.71

+ Adjusted to reflect stock split.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 4,191,306	$ 3,678,890
Cost of sales	3,177,218	2,458,145
Expenses	808,979	601,832
Other income	(6,508)	(20,179)
Income before taxes	$ 211,617	$ 639,092
Income taxes	49,600	291,500
Net Income	$ 162,017	$ 347,592

*Included in Costs and Expenses, Depreciation and Amortization: $50,272 in 1981 and $28,412 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 136,131	$ 233,191
Accts. receiv., net	877,815	597,940
*Inventories	1,178,909	901,116
Prepaid expenses	20,335	14,377
Invest. in lease, curr.	7,237	5,934
Refund inc. taxes	132,273	—
Deferred income tax benefit	25,900	9,800
Current Assets	$ 2,378,600	$ 1,762,358
#Fixed assets	383,385	92,401
Net investment in lease	32,413	39,650
Other assets	35,170	6,452
Total Assets	$ 2,829,568	$ 1,900,861
Liabilities		
Loans payable	$ 150,000	$ —
Accts. payable	570,644	281,444
Accruals & other liabilities	113,743	102,463
Income taxes	—	12,390
Curr. Liabilities	$ 834,387	$ 396,297
Convert. deben.	300,000	—
Deferred income taxes	34,900	6,300
+Common stock	96,362	64,242
Add. paid-in capital	607,648	639,768
Retained earnings	956,271	794,254
Total Liabilities & Shareholders' Equity	$ 2,829,568	$ 1,900,861

*At lower of cost (FIFO) or market.
#Less accumulated depreciation and amortization.
+$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.05	17.37
%Net Income to Sales	3.87	9.45
%Net Income to Equity	9.76	23.20
Sales to Inventories	3.56	4.08
Working Capital	$1,544,213	$1,366,061
Current Ratio	2.85	4.45
Shareholders' Equity	$1,660,281	$1,498,264

Computer Transceiver Systems, Inc.

P.O. Box 15
East 66 Midland Avenue
Paramus, New Jersey 07652
(201) 261-6800

Officers: Allen G. Jacobson, president & chief executive officer; Berthold Salz, v.p.-finance & treasurer; Albert M. Kritz, v.p.-engineering; Paul Buccola, v.p.-manufacturing; Irwin Roth, secretary; Seymour H. Bucholz, asst. secretary.

Directors: Allen G. Jacobson, Robert E. Wernikoff, Robert E. Morris, Harold Westmore, Harry Zimmerman.

Areas of Work: Manufactures potable terminals and end to end data communications systems.

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTSI (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1982	$ 5,273,000	$ 79,000
1981	6,576,000	222,000
1980	6,459,000	317,000
1979	5,495,000	165,000
1978	4,151,000	283,000

	No. of Com. Shares	Earn. per Share
1982	776,596	$ 0.10
1981	774,405	0.30
1980	700,736	0.44
1979	667,314	0.22
1978	911,277	0.31

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 3,693,000	$ 4.76
1981	3,507,000	4.53
1980	3,241,000	4.63
1979	2,886,000	4.32
1978	3,045,000	3.34

Income Account *

Year ended February 28	1982	1981
Net sales	$ 1,557,630	$ 2,842,558
Other income	3,715,263	3,733,330
Total income	$ 5,272,893	$ 6,575,888
Cost of sales	1,338,572	2,357,110
Leased equipment	486,492	453,358
Expenses	3,283,831	3,259,797
Interest expense	100,402	149,779

Computer Transceiver Systems, Inc.

Income before taxes	$ 63,596	$ 355,844
Income taxes (credit)	(16,122)	134,073
Net Income	$ 79,718	$ 221,771

* Included in Costs and Expenses, Depreciation and Amortization: $605,041 in 1982 and $564,834 in 1981.

Assets

As of February 28	1982	1981
Cash	$ 447,955	$ 174,354
Accts. receiv., net	584,842	965,637
*Inventories	2,515,407	2,009,360
Prepaid expenses	90,334	31,405
Current Assets	$ 3,638,538	$ 3,180,756
Equipment	1,125,571	1,385,985
#Fixed assets	356,785	265,350
Other assets	61,901	82,481
Total Assets	$ 5,182,795	$ 4,914,572

Liabilities

Long-term debt, curr.	$ 3,330	$ 203,330
Accts. payable	540,620	228,682
Accrued liabilities	224,345	252,029
Advances	77,271	79,683
Curr. Liabilities	$ 845,766	$ 763,724
Long-term debt	488,673	466,395
Deferred income	155,850	177,800
+Common Stock	7,766	7,744
Capital	2,284,019	2,283,355
Retained earnings	1,507,272	1,427,554
Deferred compensation (loss)	(106,551)	(212,000)
Total Liabilities & Shareholders' Equity	$ 5,182,795	$ 4,914,572

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.08	12.52
%Net Income to Sales	5.12	7.80
%Net Income to Equity	2.16	6.32
Sales to Inventories	0.62	1.41
Working Capital	$2,792,772	$2,417,032
Current Ratio	4.30	4.16
Shareholders' Equity	$3,692,506	$3,506,653

Computervision Corporation

201 Burlington Road
Bedford, Massachusetts 01730
(617) 275-1800

Officers: Martin Allen, president and chief executive officer; Lou F. Bonczek, Jr., v.p.-human resources; Paul P. Brountas, secretary and counsel; Richard L. Buckingham, treasurer; Robert Callaway, v.p. & general manager-operations division; David Friedman, v.p. & general manager-Systems Technology Division; Karl H. Geng, v.p. & managing director-Europe Division; Robert P. Gothie, v.p. & gen. mgr.-North America Division; Richard I. Krieger, v.p.-finance & chief financial officer; Victor Larkin, v.p. & controller; Philip L. Read, sr. v.p. & chief operating officer; James W. Spindler, corporate counsel & asst. secretary.

Directors: Martin Allen*, chairman; Boruch B. Frusztajer*, Robert L. Gable*, Philip L. Read*, Herbert Roth, Jr.*, Robert G. Wilson.

* Member of the Executive Committee.

Areas of Work: Engaged primarily in the design, development, manufacture and marketing of computer-controlled systems which automate critical phases of the product cycle, including concept development, detailed design drafting, and production. These systems, which include both hardware and software, enable customers to automate certain repetitive design and manufacturing processes which generally are performed manually with conventional equipment. The Company's products are [illegible] in the design and preparation of graphical data in a wide spectrum of industries, including the automotive, aerospace, communication, electronics, and mapping industries, and in automated production and testing in the electronics and semiconductor industries.

Divisions and Subsidiaries:

Productivity Systems Division
Cobilt Division

Computervision B.V.
Amsterdam, Holland

Computervision Northern Europe AB
Stockholm, Sweden

Computervision S.A.
Paris, France

Computervision GmbH
Frankfurt, West Germany

Computervision International Corporation
Bedford, Massachusetts 01730

Computervision, S.r.l.
Milan, Italy

Computervision, Limited
Blunham, England

Computervision, N.V.
Brussels, Belgium

Comptervision do Brasil
Industria E Commercio Limitada, Brazil

Computervision Asia, Ltd.
Japan

Compuervision A/S
Norway

Compuervision de Espana, S.A.
Spain

Computervision de Argentina S.A.
Argentina

Computervision Productivity Centre, Ltd.
United Kingdom

Computervision Australia
Australia

Computervision Canada Inc.
Ontario, Canada

Computervision Designer Systems (HK) Ltd.
Hong Kong

Computervision (Europe) Inc.
United Kingdom

Computervision (Schweiz) AG
Switzerland

Computervision Produktion GmbH
West Germany

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: CVN

Number of Employees:

1981	3,800	1978	837
1980	2,966	1977	537
1979	1,794		

Plant Footage:

1981	1,361,000 sq. ft.	1978	400,000
1980	900,000	1977	250,000
1979	660,000		

Sales and Earnings

	Revenues #	Net Income
1981	$ 270,706,000	$ 13,763,000
1980	191,086,000	23,321,000
1979	103,004,000	12,960,000
1978	48,432,000	5,212,000
1977	28,188,000	2,741,000

	No. of Com. Shares †	Earn. per Share ‡
1981	27,295,905	$ 1.16
1980	26,765,620	0.90
1979	24,135,208	0.52
1978	23,454,192	0.26
1977	18,925,376	0.14

# Of continuing operations only.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares outstanding, including shares issuable under stock options adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	2-for-1
1979	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 144,993,000	$ 5.31
1980	108,480,000	4.05
1979	40,659,000	1.68
1978	26,447,000	1.13
1977	11,018,000	0.58

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Revenues	$ 270,706,000	$ 191,086,000
Cost of sales	112,799,000	77,768,000
Expenses	102,568,000	72,557,000
Interest expense	2,504,000	1,793,000
Interest income	(5,913,000)	(1,296,000)
Income before taxes	$ 58,748,000	$ 40,264,000
Income taxes	23,000,000	16,800,000
Inc.-cont. oper	$ 35,748,000	$ 23,464,000
Loss-discont. oper.	(3,985,000)	(143,000)
Net Income	$ 31,763,000	$ 23,321,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,247,000 in 1981 and $6,694,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 815,000	$ 756,000
Investments	38,804,000	29,788,000
Accts. receiv., net	50,261,000	36,843,000
*Inventories	42,245,000	39,279,000
Prepaid expenses	4,522,000	3,899,000
Current Assets	$ 136,647,000	$ 110,565,000
#Fixed assets	84,307,000	52,368,000
Other assets	10,842,000	4,546,000
Total Assets	$ 231,796,000	$ 167,479,000

Liabilities

Notes payable, long-term debt & cap. lease oblig., curr.	$ 2,822,000	$ 2,990,000
Accts. payable	22,607,000	14,022,000
Advance payments	1,826,000	3,276,000
Accruals	20,419,000	13,593,000
Accrued income taxes payable	8,937,000	5,14[illegible]

Curr. Liabilities	$ 56,611,000	$ 39,029,000
Long-term debt	13,883,000	9,256,000
Cap. lease oblig.	15,762,000	10,265,000
Deferred income taxes & credits	547,000	449,000
+ Common stock	1,365,000	1,338,000
Add. paid-in capital	66,910,000	62,187,000
Retained earnings	76,718,000	44,955,000
Total Liabilities & Shareholders' Equity	$ 231,796,000	$ 167,479,000

* At lower of cost (FIFO or amortized cost) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Net Income to Equity	21.91	21.50
Sales to Inventories	6.41	4.86
Working Capital	$ 80,036,000	$ 71,536,000
Current Ratio	2.41	2.83
Shareholders' Equity	$144,993,000	$108,480,000

Comtech Telecommunications Corp.

45 Oser Avenue
Hauppauge, New York 11788
(516) 231-5454

Officers: F. Kornberg, president & chief executive officer; M.L. Deever, E. Trelewicz, v.p.'s; B.A. Nathan, secretary.

Directors: F. Kornberg, chairman; B. Adler, G. Burgliarello, M.L. Deever, F. Marx, S.S. Weiner.

Areas of Work: Designs and markets fully integrated communication terminals, including antennas; receiving and transmitting systems for satellite communication earth stations and for microwave and troposcatter communications using FM, video, voice and digital data signals; high power and low noise amplifiers for communication, radar and ECM applications; communication system test equipment; digital communication systems; SCPC equipment; digital modems, coders, decoders, signal processing and switching equipment; CATV earth station.

Divisions and Subsidiaries:

Comtech International, Inc.
Smithtown, New York

Comtech Data Corporation
Tempe, Arizona

Comtech Antenna Corp.
St. Cloud, Florida

Comtech Laboratories
Smithtown, New York

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMTL (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income #
1981	$ 31,540,096	$ 1,193,898
1980	25,284,809	(10,669,546)
1979	30,588,105	940,656
1978	24,214,043	1,144,891
1977	16,677,256	780,037

	No. of Com. Shares †	Earn. per Share $ #
1981	3,557,068	$ 0.33
1980	3,492,946	—
1979	3,478,746	0.26
1978	3,460,746	0.32
1977	3,457,406	0.22

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $585,200 ($0.16 per share) in 1981.
† Adjusted to reflect stock dividend.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 2,854,119	$ 0.80
1980	1,241,651	0.36
1979	11,770,523	3.38
1978	10,700,367	3.09
1977	9,505,273	2.75

† Adjusted to reflect stock dividend.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 31,540,096	$ 25,284,809
Cost of sales	22,393,801	32,977,830
Expenses	3,762,930	4,948,688
Depreciation & amortization	620,742	680,903
Interest expense	2,317,345	1,491,085
Income (loss) before taxes	$ 2,445,278	$ (14,813,697)
Income taxes (credit)	1,197,000	(4,931,064)
Inc. (loss)-cont. oper.	$ 1,248,278	$ (9,882,633)
Loss-discont. oper.	(639,580)	(786,913)
Net Income (loss)	$ 608,698	$ (10,669,546)
Extraord. gain	585,000	—
Net Income (loss) & Extraord. gain	$ 1,193,898	$ (10,669,546)

Assets

As of July 31	1981	1980
Cash	$ 1,541,401	$ 1,846,616
Accts. receiv., net	9,769,876	8,919,939
Income taxes receivable	298,840	1,110,191
* Inventories	5,297,430	5,088,863
Land & bldg. held for sale	1,766,788	—
Other curr. assets	273,616	426,712
Current Assets	$ 18,947,951	$ 17,392,321
Assets of discont. oper.	414,208	—
# Fixed assets	4,768,802	7,789,297
Receivable	188,000	1,487,783
Other assets	380,503	405,323
Total Assets	$ 24,699,464	$ 27,074,724

Liabilities

Notes payable	$ —	$ 30,000
Mortgage notes curr.	2,052,379	1,074,360
Accts. payable	2,035,046	4,167,219
Accruals & taxes withheld	1,450,780	1,963,643
Deferred income taxes	67,000	—
Adv. contract pay receiv.	2,467,164	972,432
Est. loss on contracts	3,649,473	5,566,000
Curr. Liabilities	$ 11,721,841	$ 13,773,654
Mortgage notes	10,123,504	12,059,419
+ Common stock	355,707	349,295
Add. paid-in capital	3,359,107	2,946,949
Retained earnings (deficit)	(860,695)	(2,054,593)
Total Liabilities & Shareholders' Equity	$ 24,699,464	$ 27,074,724

* At cost (FIFO) which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	41.83	—
Sales to Inventories	5.95	4.97
Working Capital	$7,226,110	$3,618,667
Current Ratio	1.62	1.26
Shareholders' Equity	$2,854,119	$1,241,651

Condec Corporation

1700 East Putnam Avenue
Old Greenwich, Connecticut 06870
(203) 637-4511

Officers: Norman Schafler, chairman of the board & chief exec. officer; Gerald Rosenberg, president; Joseph F. Engleberger, Morris R. Beschloss, Roy T. Ellegard, R. Scott Schafler, vice president; Dan J. Cuddy, vice president-finance; William W. Kurz, vice president-administration; Herbert Gladstone, vice president & treasurer; Richard M. Cion, v.p., general counsel & secretary; Irving Slifkin, general counsel; Kenneth Greenbaum, Mona L. Millen, asst. secretaries; Edward V. Kelly, director-corp. communications.

Directors: Theodore W. Brooks, Milton S. Cohn, Jerome I. Davis, Joseph F. Engelberger, Gerald Rosenberg, Norman Schafler, Harold Lewis, Morris R. Beschloss, Homer N. Chapin, Mitchel Flaum.

Divisions and Subsidiaries:

Consolidated Controls Corporation
15 Durant Avenue
Bethel, Connecticut 06801
(203) 743-6721

Pressure and temperature controls for commercial and military aircraft and aerospace industry; control systems and components for nuclear power stations and nuclear ships; and industrial instrumentation and controls. Products include pressure switches, transducers, sensing devices, operator consoles and control panels, and digital indicators and data-loggers.

Consolidated Controls Corporation
2338 Alaska Avenue
El Segundo, California 90245
(213) 772-5301

Hydraulic and electro-mechanical controls for commercial aircraft, naval and aerospace industries. Products include special hydraulic, pneumatic and cryogenic solenoid, servo, flow control and regulator valves, electro-activators, accumulators and systems.

ConDiesel Mobile Equipment
Boston Post Road
Old Greenwich, Connecticut 06870
(203) 637-4341

Specialized vehicles and power generating equipment for the government.

Flow Control Group
845 No. Michigan
Chicago, Illinois 60611
(312) 944-5500

Valves and gauges; bronze and iron foundries and valve machining facilities.

Conval International Limited
875 No. Michigan Avenue
Chicago, Illinois 60611
(312) 944-5500

Conflo Manufacturing Inc.
275 Main Street
Wadsworth, Ohio 44281
(216) 344-1531

The Lunkenheimer Company
Box 14360
Cincinnati, Ohio 45214
(513) 921-3400

Lunkenheimer Canada Limited
125 Tycos Drive
Toronto, M6B 1W6, Canada
(416) 787-1675

Condec Corporation

Hammond Valve Corporation
1844 Summer Street
Hammond, Indiana 46320
(219) 932-3200

Quartrol Corporation
Box 11564
Birmingham, Alabama 35202
(205) 595-0510

The Lima Electric Co., Inc.
200 East Chapman Road
Lima, Ohio 45802
(419) 227-7327

Electric generators, integral horsepower electric motors and selective speed drives.

NRM-Tire Machinery
Box 25
Columbiana, Ohio 44408

NRM Process Systems
180 South Avenue
Tallmadge, Ohio 44278
(216) 633-1600

Plastic and rubber extruders; ancillary equipment.

Unimation, Inc. (80% owned)
Shelter Rock Road
Danbury, Connecticut 06810
(203) 744-1800

Industrial robots.

Stallion Oilfield Equipment
Leetonia, Ohio
Massillon, Ohio 44646
(216) 833-2896

Transfer Agent(s):

Manufacturers Hanover Trust Company
(common stock)
Four New York Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: CDT

Number of Employees:

1980	4,700	1977	4,900
1979	4,600	1976	4,800
1978	4,600		

Plant Footage:

1980	2,800,000 sq. ft.	1977	3,300,000
1979	2,100,000	1976	3,200,000
1978	3,300,000		

Sales and Earnings

	Net Sales #	Net Income ‡
1981	$ 327,477,000	$ 3,404,000
1980	275,044,000	2,641,000
1979	249,260,000	634,000
1978	231,659,000	6,555,000
1977	223,239,000	10,764,000

	No. of Com. Shares †	Earn. per. Share ‡†
1981	3,574,304	$ 0.96
1980	3,377,947	0.68
1979	3,088,647	0.09
1978	2,817,242	2.20
1977	2,672,410	3.88

‡ Including extraordinary gains of $1,196,000 ($0.33 per share) in 1981 and $2,437,000 ($0.91 per share) in 1977.

Includes other income.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Flow control	$ 92,265,000	$ 94,514,000
Industrial machinery equipment	122,361,000	107,212,000
Government	85,713,000	44,550,000
Other	27,138,000	28,768,000
Total	$ 327,477,000	$ 275,044,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	3%	—
1980	—	3%	—
1979	—	3%	—
1978	—	3%	—

Common Stock Equity +

	Total Equity ‡	Equity Per Share †
1981	$ 77,264,000	$ 21.62
1980	72,676,000	21.51
1979	67,634,000	21.90
1978	67,018,000	23.79

+ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

‡ After allowing for preferred stock at par values.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended July 31	1981	1980
Net sales & other income	$ 327,477	$ 275,044
Cost of sales	245,830	202,842
Expenses	64,339	57,171
Oper. profit	$ 17,308	$ 15,031
Interest expense	15,429	11,148
Unusual items	—	(386)
Income before taxes	$ 1,879	$ 4,269
Income taxes (credit)	(329)	1,628
Net Income	$ 2,208	$ 2,641
Extraord. gain	1,196	—
Net Income and Extraord. gain	$ 3,404	$ 2,641

* Included in Costs and Expenses, Depreciation: $5,826,000 in 1981 and $4,677,000 in 1980.

Assets
(000's)

As of July 31	1981	1980 ‡
Cash	$ 2,574	$ 3,132
Accts. receiv., net	64,158	53,260
*Inventories	107,471	96,231
Prepaid expenses	1,688	1,828
Current Assets	$ 175,891	$ 154,451
Other assets	8,980	7,038
#Fixed assets	52,325	45,365
Intangibles	40,934	40,936
Cash restricted	877	2,256
Total Assets	$ 279,007	$ 250,046

Liabilities
(000's)

Notes payable	$ 500	$ 377
Long-term debt, curr.	3,237	3,464
Accounts payable & accruals	62,592	51,899
Income taxes	3,682	4,609
Curr. Liabilities	$ 70,011	$ 60,349
Long-term debt	111,381	94,661
Other liabilities	6,749	4,651
Minority interest	936	5,961
Deferred inc. taxes	3,875	2,626
Liab. of facil. sold	3,433	3,433
Redeemable pref. stock:		
+ 6% stock	337	412
+ + 7% stock	2,542	2,743
Non-redeem. pref. stock:		
+ Series A 6%	1,899	1,899
+ + 10% convert.	580	635
+ + + Common stock	372	320
Add. paid-in capital	32,595	29,487
Retained earnings	44,297	42,869
Total Liabilities & Shareholders' Equity	$ 279,007	$ 250,046

‡ Restated.

* At lower of average cost (FIFO) or realizable market.

Less accumulated depreciation.

+ $10 par value.

+ + $25 par value.

+ + + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.57	1.55
%Net Income to Sales	0.67	0.96
%Net Income to Equity	2.77	3.51
Sales to Inventories	3.05	2.86
Working Capital	$105,880,000	$94,102,000
Current Ratio	2.51	2.56
Shareholders' Equity	$ 79,743,000	$75,210,000

Conrac Corporation

Three Landmark Square
Stamford, Connecticut 06901
(203) 348-2100

Officers: Donald H. Putnam, president; Paul E. Graf, exec. v.p.; Clyde W. Kaericher, v.p.-finance; Benjamin Barth, Thomas J. Harriman, Lawrence M. Ryan, vice presidents; Francis E. O'Riordan, secretary; Walter J. Joyce, controller.

Directors: Walter Burke, Daniel T. Carroll, John C. Lowe, Donald H. Putnam, William Elfers, Charles Oechler, Ken E. Mathysen-Gerst, Arthur H. Thornhill Jr., Frederick S. Wonham, Thomas K. Denton.

Divisions and Subsidiaries:

Controls Group:

Systems Components Division
1600 S. Mountain Avenue
Duarte, California 91010
(213) 359-9141

Products include aerospace transducers, mil-spec video displays, aircraft control systems, airport passenger information systems.

Cramer Division
Mill Rock Road
Old Saybrook, Connecticut 06475
(203) 388-3574

Manufactures timers and counters, instrument motors.

Industrial Group:

Goodrich Division
3560 Chicago Division
Hudsonville, Michigan 49426
(616) 669-1000

Automatic welding equipment, resistance welding transformers.

Machine Tool Division
9200 Bolsa Avenue
Westminster, California 92683
(714) 894-4711

Automated tube benders and finishers, structura beam welders, pressing and staking tools.

Rixson-Firemark Division, Inc.
9100 West Belmont Avenue
Franklin Park, Illinois 60131
(312) 671-5670

Smoke operated door closers, concealed and overhead closers, external and internal door pivots, fire and intrusion protection products.

Information Group:

Alston Division
1724 S. Mountain Avenue
Duarte, California 91010
(213) 357-2121

Manufactures telephone traffic monitoring equipment, telephone service observing equipment and telephone test equipment.

Conrac Division
600 N. Rimsdale Avenue
Covina, California 91722
(213) 966-3511

Computer terminals, video monitors, alpha-numeric CRT displays.

Conrac Elektron GmbH (Subsidiary)
Weikersheim, Germany

Electronic teaching products, computer peripheral equipment, large audience information displays.

Transfer Agent(s):

Chemical Bank
20 Pine Street
New York, New York 10005

Stock Exchange(s): New York, Pacific

Ticker Symbol: CAX

Number of Employees:

1981	1,785	1978	2,768
1980	2,514	1977	2,662
1979	2,956		

Plant Footage:

1981	698,000 sq. ft.	1978	937,000
1980	802,000	1977	1,000,000
1979	802,000		

Sales and Earnings ‡

	Net Sales †	Net Income
1981	$ 114,708,000	$ 3,251,000
1980	118,749,000	4,650,000
1979	113,319,000	1,164,000
1978	100,733,000	1,590,000
1977	93,414,000	6,465,000

	No. of Com. Shares +	Earn. per Share + #
1981	2,169,687	$ 1.34
1980	2,130,000	2.04
1979	2,059,000	0.39
1978	2,052,000	0.59
1977	2,022,000	3.06

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated assets.
† Of continuing operations only.
+ Adjusted to reflect stock split and stock dividends.
# Based on the average number of common shares outstanding assuming no dilution.

Revenues By Line of Business

	1981	1980
Info. display & control	$ 67,954,000	$ 72,949,000
Telecommunications	19,951,000	19,403,000
Architectural & industr. prods.	26,803,000	26,397,000
Total	$ 114,708,000	$ 118,749,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.80	—	—
1979	0.80	—	—
1978	0.78	10%	—
1977	0.69	—	5-for-4

+ Adjusted to reflect stock split and stock dividend.

Common Stock Equity †

	Total Equity ‡	Equity Per Share +
1981	$ 38,163,000	$ 17.59
1980	36,241,000	17.01
1979	32,540,000	15.80
1978	33,276,000	10.90

† Restated to reflect change in accounting method.
‡ After allowing for preferred stock, Series A and Series B at liquidation value of $50 per share.
+ Adjusted to reflect stock split and stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 114,708	$ 118,749
Cost of sales	88,513	93,183
Expenses	13,958	13,793
Interest expense	3,408	3,788
Income before taxes	$ 8,829	$ 7,985
Income taxes	4,138	3,722
Income from. cont. operations	$ 4,691	$ 4,263
Income (loss) from discont. oper.	(1,440)	387
Net Income	$ 3,251	$ 4,650

* Included in Costs and Expenses, Depreciation and Amortization: $1,921,000 in 1981 and $1,849,000 in 1980.
‡ Restated to reflect change in accounting method.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 2,450	$ 2,733
Accts. receiv., net	19,333	20,256
*Inventories	31,465	34,829
Prepaid expenses	1,930	1,601
Assets of discont. oper.	22,055	19,812
Current Assets	$ 77,233	$ 79,231
#Fixed assets	11,699	12,171
Other assets & intangibles	7,264	7,320
Total Assets	$ 96,196	$ 98,722

Liabilities
(000's)

	1981	1980 ‡
Notes payable	$ 11,505	$ 8,700
Long-term debt, current	2,825	2,761
Accts. payable	5,928	5,325
Accrued payroll	2,416	2,339
Income taxes	604	2,560
Other liabilities	6,000	6,763
Liab. of discont. oper.	3,551	2,918
Curr. Liabilities	$ 32,829	$ 31,366
Long-term debt	16,392	21,893
Deferred inc. taxes	771	1,006
Preferred stock:		
+ + Series C	3,883	4,058
+ Series A	250	250
+ Series C	166	166
+ + + Common stock	2,014	1,994
Add. paid-in capital	12,248	11,518
Retained earnings	27,643	26,471
Total Liabilities & Shareholders' Equity	$ 96,196	$ 98,722

‡ Restated to reflect change in accounting method.
* At lower of average cost or market.
# Less accumulated depreciation & amortization.
+ $5 par value; $2 cumulative convertible.
+ + $5 par value, $1.50 cumulative convertible, mandatory redemptions.
+ + + $0.50 par value.

Statistical Summary

%Net Income to Equity	7.68	11.51
Sales to Inventories	3.65	3.41
Working Capital	$44,404,000	$47,865,000
Current Ratio	2.35	2.53
Shareholders' Equity	$42,321,000	$40,399,000

Continental Telephone Corporation

245 Perimeter Center Parkway
Atlanta, Georgia 30346
(404) 391-8000

Officers: Charles Wohlstetter, chairman of the board & chief executive officer; James V. Napier, president & chief operating officer; Robert C. Abrams, v.p.-Western Region; James L. Robb, exec. v.p.-operations; Ralph Delio, v.p.-human resources; James L. Carroll, v.p.-Central Region; William Friedman, v.p.-government relations; Malcolm Holmes, v.p.-finance; Stephen C. Jones, v.p.-Eastern Region; Roy Kirkorian, v.p.-legal & secretary; Gary E. Lasher, v.p.-international; Edward J. Nicoletti, v.p.-information services; Robert Ratonyi, v.p.-corporate development; Donald W. Weber, v.p.-telephone operations; Charles L. Boll, treasurer; Don D. Pitts, controller.

Directors: Charles Wohlstetter, chairman of the board; James V. Napier, Robert E. La Blanc, Irwin Schneiderman, John M. Brock, I.W. Burnham, II, Robert J. Caverly, Sylvan C. Coleman, J.L. Robb, Howard Sloan, Sidney Topol, Robert V. West, Jr., J.P. Maguire.

Areas of Work: Through its Executone, Inc. subsidiary, manufactures and markets a variety of communications systems for use in businesses, professional offices and institutions. Its products are sold, installed and maintained by a network of independent distributors in the United States and in four other countries.

Transfer Agent(s):

Chemical Bank
Corporate Trust Dept.
P.O. Box 25962, Church Street Station
New York, New York 10087

Trust Company Bank
P.O. Box 4625
Atlanta, Georgia 30302

Stock Exchange(s): New York, Pacific

Ticker Symbol: CTC

Number of Employees:

1980	19,679	1979	19,414

Sales and Earnings ‡

	Revenues & Sales	Net Income
1981	1,589,652,000	143,874,000
1980	1,294,244,000	122,840,000
1979	1,171,381,000	115,876,000
1978	986,862,000	99,804,000
1977	839,149,000	83,170,000

	No. of Com. Shares	Earn. per Share#
1981	60,932,675	2.34
1980	56,596,756	2.09

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.47	—	—
1980	1.38	—	—
1979	1.33	—	—
1978	1.22	—	—
1977	1.14	—	—

Continental Telephone Corporation

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	986,837,000	16.10
1980	864,278,000	15.17

‡ Restated to include operations of companies acquired on a pooling of interests basis.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Domestic Tel. Oper:		
Oper. revenues	$ 1,196,915	$ 1,023,484
Maintenance	248,730	210,822
Depreciation & amortization	224,436	180,029
Traffic, commercial & other	284,802	247,418
Taxes	82,951	73,342
Inc. taxes	100,811	84,262
Other income	(7,356)	(1,777)
Interest expense	107,580	103,810
Minority interest	7,152	7,836
Net Income	$ 147,809	$ 117,742
Business, Communications Syst. & Supply:		
Net revenues & sales	300,115	229,068
Cost of sales & expenses	294,820	216,717
Fed. inc. taxes	3,497	5,968
Net Income	$ 1,798	$ 6,383
Information Services:		
Oper. revenues	53,241	37,115
Costs & expenses	46,186	31,663
Fed. inc. taxes	3,470	2,733
Net Income	$ 3,585	$ 2,719
Int'l. Consulting & Contracting:	39,381	4,577
Costs & expenses	32,596	7,174
Fed. inc. taxes	3,630	14
Net Income (Loss)	$ 3,155	$ (2,611)
Net Services—Net Loss	(2,125)	(941)
Corporate—interest, expenses & taxes	10,348	452
Consolidated Net Income	$ 143,874	$ 122,840

‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & temp. cash invest.	$ 43,785	$ 51,439
Cert. of deposits	100	1,635
Marketable securities	—	5,221
Accts. receiv., net	286,716	192,447
Materials & supplies	40,980	32,585
*Inventories	52,405	26,038
Prepaid expenses	16,836	14,522
Current Assets	$ 440,822	$ 323,887
Invest. cost in exc. of book value	58,917	60,034
Invest. in Am. Satellite Co.	46,034	25,843
Investment in unconsol. subsid.	21,530	7,466
#Fixed assets	2,863,212	2,690,890
Notes receiv.	40,569	46,094
Other assets	51,403	41,017
Deferred charges	21,272	19,992
Total Assets	$ 3,543,759	$ 3,215,223

Liabilities
(000's)

Long-term debt, curr.	$ 93,308	$ 52,011
Interim borrowings	80,252	32,462
Comm. paper	5,050	—
Accts. payable	152,486	113,127
Accrued taxes	47,475	46,049
Accrued interest	21,315	19,380
Accrued pension & vac.	48,174	17,922
Other liab.	90,490	57,120
Curr. Liabilities	$ 538,550	$ 338,071
Long-term debt	1,396,232	1,430,606
Deferred inc. taxes	294,612	269,658
Deferred invest. credit	178,589	151,993
Deferred credits	15,070	13,580
Redeemable preferred stock	133,869	147,037
+Common stock	60,933	56,599
Add. paid-in capital	452,273	386,421
Retained earnings	467,523	415,555
Minority interest in common stock & ret. earnings	6,108	5,703
Total Liabilities & Shareholders' Equity	$ 3,543,759	$ 3,215,223

‡ Restated to include operations of companies acquired on a pooling of interests basis.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.58	14.21
Shareholders' Equity	$986,837,000	$864,278,000

Control Data Corporation

8100 34th Avenue South
Minneapolis, Minnesota 55420
(612) 853-8100

Mailing address:
P.O. Box 0 *
Minneapolis, Minnesota 55440

Officers: William C. Norris, chairman & chief executive officer; Robert M. Price, president & chief operating officer; Norbert R. Berg, deputy chairman; Raymond W. Allard, v.p.-Pacific operations; Peter G. Bailey, sr. v.p.-Commercial Credit Company; Eugene L. Baker, v.p.-human resources management; Roger Baldelli, v.p.-U.S. marketing; Stephen H. Beach, v.p. & associate general counsel; Gail E. Bergsven, v.p.-academic & employment preparation; Phillip J. Bifulk, v.p.-small business development; Gordon R. Brown, sr. v.p.-international operations; Walter H. Bruning, v.p.-data services; Robert C. Chinn, sr. v.p. & assistant to the chairman; Franklin R. Dewe, v.p.-personnel & administration; Robert W. Duncan, president-international operations; William Fitzgerald, v.p.-international financial plans & controls; Howard R. Fricke, sr. v.p.-Commercial Credit Company; Gerald W. Gilbert, presidet-Magnetic Peripherals, Inc.; James T. Halom, sr. v.p. & treasurer; Quentin J. Hietpas, v.p.-public relations;Larry E. Jodsaas, v.p.-peripheral products operations; Boyd T. Jones, v.p.-government systems; Thomas G. Kamp, president-Pheripheral Products Co.; Jack J. Karnowski, v.p.-international finance; William R. Keye, vice chairman-international development; Robert W. Kleinert, sr. v.p.-Commercial Credit Company; John W. Lacey, executive v.p.-technology & planning; Paul G. Miller, chairman & chief executive officer-Commercial Credit Company; Thomas W. Miller, v.p.-business development; Joseph D. Minutilli, president & chief operating officer-Commercial Credit Company; James Murdakes, v.p.-Cybernet Services; Emanuel J. Otis, sr. v.p.-computer systems; Robert L. Perkins, sr. v.p.-research; Lawrence Perlman, v.p., general counsel & corporate secretary; Lois Dickson Rice, sr. v.p.-government affairs; Marvin G. Rogers, executive v.p.-& chief financial officer; L. C. Roskam, sr. v.p. & controller; William D. Rowe, sr. v.p.-Commercial Credit Company; Robert D. Schmidt, vice chairman-corporate marketing;William J. Schmitt, president-Ticketron; George P. Shaw, sr. v.p.-Commercial Credit Company; Roger D. Shober, v.p.-Peripheral Products marketing; Vernon E. Sieling, sr. v.p.-marketing development; Edward E. Strickland, sr. v.p.-corporate growth; Marvin R. Swenson, sr. v.p.-marketing programs; Lloyd M. Thorndyke, sr. v.p.-technology development; Herbert F. Trader, v.p.-urban programs; George F. Troy, president-Control Data Business Advisers, Inc.; Edward G. Vargon, v.p.-labor relations; Roger G. Wheeler, v.p.-human relations development; David P. White, v.p.-network information services; Henry J. White, president-Systems & Services Company; J. Peter Wilson, v.p.-Commercial Credit Company.

Directors: William C. Norris*, chairman; William R. Keye*, Philip M. Morse, Russell A. Nelson, Bernard A. Schriever, Judson Bemis, Joseph W. Barr, Norbert R. Berg*, Thomas G. Kamp, Paul G. Miller, Robert M. Price*, Richard G. Lareau, Robert D. Schmidt, Lawrence E. Walkley, Leroy F. Stutzman, Joseph M. Walsh, James C. Worthy, Lois Dickson Rice, Walter F. Mondale, Marvin G. Rogers, Michael A. Wright.

* Member of Executive Committee.

Areas of Work: Develops, manufactures and markets computers, ranging from very large to small in size, and used in education, engineering, general data processing and specialized control systems worldwide; also makes and markets industrial instruments and controls and aerospace products. Markets computer peripheral equipment, including disk drives, magnetic tape transports, printers, card readers, card punches, terminals, data entry systems, mass storage systems and computer supplies, such as disk packs and magnetic tape. Provides computer services. Data services, utilizing communications networks and major computer centers, process scientific, engineering and business data. Professional services include maintenance, architectural design, consulting and education. Commercial Credit Company, a wholly-owned subsidiary, provides financial services through more than 800 offices in the U.S., Canada, Europe and Asia. These include personal loans, installment financing, business loansand leasing services, vehicle and equipment leasing, factoring, real estate financing, and life, health, credit and casualty insurance.

Subsidiaries:

Commercial Credit Company
300 St. Paul Place
Baltimore, Maryland 21202

ARB (American Research Bureau), Inc.
4320 Ammendale Road
Beltsville, Maryland 20705

Autocon Industries, Inc.
2200 Berkshire Lane
Minneapolis, Minnesota 55427

The Service Bureau Corporation
1350 Avenue of the Americas
New York, New York 10019

Transfer Agent(s):

First National Bank of Minneapolis (common)
P.O. Box A799
Minneapolis, Minnesota 55480

First National Bank of Minneapolis (common)
c/o Bradford Trust
67 Broad Street
New York, New York 10004

The Royal Trust Company (common)
P.O. Box 7500, Station A
Toronto, Ontario, M5W 1P9 Canada

Mellon Bank, N.A. (preferred)
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Mellon Bank, N.A. (preferred)
c/o Bradford Trust
67 Broad Street
New York, New York 10004

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Frankfurt, Lausanne, Geneva, Zurich, Basel, Amsterdam.

Ticker Symbol: CDA

Number of Employees:

1981	60,627	1978	51,430
1980	57,068	1977	46,197
1979	57,182		

Sales and Earnings

	Revenues (000's)	Net Income # (000's)
1981	$ 3,101,300	$ 170,600
1980	2,765,600	150,600
1979	2,248,600	124,200
1978	1,846,400	89,464
1977	1,493,300	62,995

	No. of Com. Shares ‡	Earn. per Share ‡#
1981	37,735,000	$ 4.48
1980	35,270,000	4.23
1979	34,087,000	3.60
1978	33,974,000	2.59
1977	33,604,000	1.83

‡ Based on the weighted average number of common stock and common stock equivalents outstanding adjusted to reflect stock split..

# Including extraordinary gains of $800,000 ($0.02 per share) in 1981, $1,300,000 ($0.08 per share) in 1980, $5,700,000 ($0.17 per share) in 1979, $5,000,000 ($0.15 per share) in 1978, $583,000 ($0.02 per share) in 1977.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.475	—	2-for-1
1980	0.30	—	—
1979	0.20	—	—
1978	0.125	—	—
1977	0.075	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 1,564,100	$ 42.20
1980	1,399,900	37.94
1979	1,140,100	34.02
1978	1,003,200	29.98
1977	912,287	27.30

† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Revenue	$ 3,101,300	$ 2,765,000
Cost of revenues	1,914,300	1,724,200
Expenses	607,800	536,800
Res. & develop.	201,900	182,800
Other techn. exp.	91,900	84,000
Interest expense	76,500	65,000
Income before taxes	$ 208,900	$ 172,800
Income taxes	84,100	79,500
Minority interest	5,200	2,100
Net Income	$ 119,600	$ 91,200
Extraord. gain	800	1,300
Net Income—computer bus.	$ 120,400	$ 92,500
Net Income—commercial credit	50,200	58,100
Net Income	$ 170,600	$ 150,600

‡ Restated.

*Included in Costs and Expenses, Depreciation and Amortization: $178,600,000 in [illegible] and $257,600,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & marketable securities	$ 46,400	$ 74,400
Receiv., net	525,400	475,300
*Inventories	709,000	570,900
Prepaid expenses	17,100	15,700
Current Assets	$ 1,297,900	$ 1,136,300
Investments & advances	799,100	776,800
#Fixed assets	656,000	564,000
Other assets	72,900	54,500
Total Assets	$ 2,825,900	$ 2,531,600

Liabilities
(000's)

	1981	1980 ‡
Notes pay. & long-term debt, curr.	$ 70,400	$ 51,400
Amounts due affiliates, curr.	118,800	91,000
Accts. payable & overdrafts	122,800	117,300
Other liab.	436,800	391,200
Curr. Liabilities	$ 748,800	$ 650,900
Long-term debt	116,800	122,900
Amount due affiliates	263,600	204,400
Minority interest	46,800	43,000
Other liabilities	44,800	36,800
Deferred inc. taxes	27,500	36,600
+Preferred stock	13,500	37,100
+ +Common stock	18,700	18,700
Add. paid-in capital	476,700	461,700
Retained earnings	1,101,900	950,500
Treasury stock	(5,700)	(7,900)
Net unrealized loss on securities	(14,300)	(7,200)
Notes from employees	(13,200)	(15,900)
Total Liabilities & Shareholders' Equity	$ 2,825,900	$ 2,531,600

‡ Restated.

* At lower of cost (FIFO or average) or market; work in progress and finished goods are valued at cost not in excess of realizable values.

# Less accumulated depreciation and amortization.

+ $100 par value; 4½% cumulative.

+ + $0.50 par value.

Statistical Summary

%Net Income to Revenue	5.50	5.45
%Net Income to Equity	10.81	10.48
Working Capital	$ 549,100,000	$ 485,400,000
Current Ratio	1.73	1.75
Shareholders' Equity	$1,577,600,000	$1,437,000,000

Control Laser Corporation

11222 Astronaut Boulevard
Orlando, Florida 32809
(305) 851-2540

Officers: Robert D. van Roijen, Jr., chairman of the board & president; James J. Felcyn, Jr., exec. v.p.-finance; Robert C. Holland, exec. v.p.-operations; John J. Fitzgerald, v.p.-sales; I. Townsend Burden, III, secretary; A. O'Connell, controller.

Directors: Robert D. van Roijen Jr., chairman, M. Lee McDeniel, I. Townsend Burden III, Childs F. Burden, T.H. Maiman, Robert L. Tull, Robert E. Windham, F. Philip Handy, S. John Byington.

Areas of Work: Engaged in the development, manufacture and marketing of high powered industriallasers. Solid state lasers gas lasers, dye lasers and accessories are marketed to original equipment manufacturers, universities and laboratories.

Subsidiaries:

Holobeam Laser, Inc.
11222 Astronaut Boulevard
Orlando, Florida 32809

Engaged in the manufacture and sale of lasers and laser systems for industrial purposes.

Affiliates:

Control Laser Limited (45% Owned)
Industrial Power Beams
9 Royal Oak Industrial Estate
Daventry, Northamptonshire
England NN115PJ

Engaged in the manufacturing and marketing of lasers and laser systems.

Transfer Agent(s):

Barnett Bank Trust Company, N.A.
Jacksonville, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLSR (NASDAQ)

Number of Employees:

1980	175	1977	66
1979	160	1976	37
1978	95		

Plant Footage:

1981	80,000 sq. ft.	1978	30,000
1980	80,000	1977	30,000
1979	70,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 14,202.404	$ 1,429,914
1980	13,331,054	1,231.947
1979	10,058,000	1,048,000
1978	7,055,048	812,864
1977	3,869,238	376,269

	No.of Com. Shares †	Earn per Share †
1981	3,050,256	$ 0.47
1980	2,622,788	0.47
1979	2,375,642	0.44
1978	2,307,995	0.33
1977	2,232,306	0.17

+ Of continuing operations only.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.07	—	—
1980	0.07	—	3-for-2
1979	0.07	—	3-for-2
1978	—	10%	—
1977	0.06	10%	—

‡ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 15,741,699	$ 5.16
1980	14,444,615	5.51
1979	5,420,369	2.28
1978	4.415,396	1.91
1977	3,482,430	1.56

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 14,202,404	$ 13,331,054
Cost of sales	7,736,556	7,331,763

Control Laser Corporation

Expenses	4,576,386	3,729,572
Interest expense	85,496	242,188
Other income	(619,187)	(392,074)
Income before taxes	$ 2,423,153	$ 2,199,605
Income taxes	967,593	959,839
Income-cont. oper.	$ 1,455.560	$ 1,239,766
Equity in loss of affil.	(25,646)	(7,819)
Net Income	$ 1,429,914	$ 1,231,947

* Included in Costs and Expenses, Depreciation and Amortization: $359,832 in 1981 and $226,525 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 888,921	$ 1,561,174
Note receiv.	432,382	3,126,040
Accts. receiv., net	3,899,291	3,282,340
Investment	86,714	—
*Inventories	6,684,123	5,572,572
Refund. inc. taxes	143,920	—
Prepaid expenses	266,076	270,211
Current Assets	$ 12,401,427	$ 13,812,337
#Fixed assets	2,899,899	2,166,301
Investments	2,690,775	1,547,357
Total Assets	$ 17,992,101	$ 17,525,995

Liabilities

Note payable	$ —	$ 561,800
Long-term debt, curr.	20,664	20,481
Accts. payable	861,912	948,172
Accruals	394,038	399,424
Accrued payroll	170,381	108,638
Income taxes	—	276,000
Curr. Liabilities	$ 1,446,995	$ 2,314,515
Long-term debt	695,407	717,865
Deferred income taxes	108,000	49,000
+Common stock	30,840	30,215
Add. paid-in capital	11,995,515	11,583,322
Retained earnings	4,051,823	2,837,635
Unrealized currency gains (loss)	(227,822)	—
Treasury stock	(108,657)	(6,557)
Total Liabilities & Shareholders' Equity	$ 17,992,101	$ 17,525,995

* At lower of cost (FIFO or accumulated production costs) or market.

# Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.06	16.50
%Net Income to Sales	10.07	9.24
%Net Income to Equity	9.08	8.53
Sales to Inventories	2.12	2.39
Working Capital	$10,954,432	11,497,822
Current Ratio	8.57	5.97
Shareholders' Equity	$15,741,699	14,444,615

Cooper Industries, Inc.

P.O. Box 4446
Houston, Texas 77210
(713) 654-4451

Officers: Robert Cizik, president & chief executive officer; Chris J. Witting, vice chairman; Alan E. Riedel, sr. v.p.-administration; Dewain K. Cross, sr. v.p.-finance; C. Baker Cunningham, exec. v.p.-operations-Tools & Hardware; Donald E. Kiplely, exec. v.p.-operations-Drilling Equipment; Michael J. Sebastian, exec. v.p.-operations-Compression Machinery; Edgar A. Bircher, v.p. & general counsel; Thomas W. Campbell, v.p.-public affairs; Frederick B. Hegi, Jr., v.p. & treasurer; D. Bradley McWilliams, v.p.-taxes; Carl J. Plesnicher, Jr., v.p.-employee relations; Roger A. Scott, v.p., secretary & corporate counsel; William A. Agnew, controller; Robert B. Dyer, sr. v.p.-Planning and Development.

Directors: E.L. Miller, chairman; Robert W. Baldwin, C. Roland Christensen, Robert Cizik, John P. Diesel, Joe H. Foy, Stanley E. G. Hillman, John G. McElwee, John D. Ong, Alan E. Riedel, Chris J. Witting.

Areas of Work: The Company is engaged in three primary areas of business: Compression & Drilling Equipment; Tools & Hardware; and Electrical & Electronic Products.

Electrical & Electronic Products

Crouse-Hinds Company
P.O. Box 4999
Wolf and 7th North Streets
Syracuse, New York 13221
(315) 477-7000

Manufactures electrical distribution equipment including circuit breakers, safety switches; indoor and outdoor lighting, aviation lighting; electrical construction materials.

Industrial Electrical Products
Commercial Electrical Prducts
Wire and Cable Products
Arrow-Hart Belden

Cooper Electronics
Nashua, New Hampshire

Tools & Hardware

The Cooper Group
Kirsch
Cooper Air Tools
Apex Machine & Tool

Compression & Drilling Equipment

Cooper Energy Services
Cooper Petroleum Equipment
Cooper Mining & Construction
Demco
Cooper Air Compressors
Portable Rig
Martin-Decker
Funk Manufacturing

Transfer Agent(s):

First City National Bank
Houston, Texas

Ameri Trust Company
Cleveland, Ohio

Stock Exchange(s): New York, Pacific

Ticker Symbol: CBE

Number of Employees:

1981 39,000

Sales and Earnings ‡

	Revenues +	Net Income (000's)
1981	$2,866,031	$284,545
1980	2,335,923	185,216
1979	1,822,828	148,493
1978	1,167,770	96,926
1977	1,013,449	79,163
	No. of Com. Shares †	Earn per Share †
1981	44,587,000	6.02
1980	43,268,000	3.91
1979	39,470,000	3.48
1978	33,831,000	2.83
1977	33,165,080	2.34

‡ Restated to include operations of companies acquired for a pooling of interests basis.

+ Of continuing operations only.

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

Compression & drilling equip.	$ 1,447,970	$ 1,101,206
Tools & hardware	540,812	403,577
Electrical & Electronic prod.	872, 872,127	825,726
Other	5,122	5,414
Total	$ 2,866,031	$ 2,335,923

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.24	—	—
1980	1.08	—	2-for-1
1979	0.92	—	—
1978	0.77	—	—
1977	0.54	—	—

+ Adjusted to reflect stock split.

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$1,102,637,000	$25.10
1980	894,180,000	20.48
1979	749,456,885	17.76
1978	474,687,080	13.61

† Restated.

‡ After allowing for preferred stock at liquidation values.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Revenues	$ 2,866,031	$ 2,335,923
Cost of sales	1,865,738	1,555,022
Expenses	429,207	356,749
Depreciation & amortization	56,598	46,282
Interest expense	56,712	50,320
Income before taxes	$ 458,776	$ 327,550
Income taxes	217,506	156,120
Income from cont. oper.	$ 241,270	$ 13,786
Gain on Sale of Aircraft Services	27,391	171,430
Net Income	$ 284,545	$ 185,216

‡ Restated to include operations of companies acquired n a pooling of interests basis.

Assets
(000's)

As of Dec. 31,	1981	1980 ‡
Cash	$ 3,963	$ 25,567
Receiv., net	497,139	478,328
*Inventories	745,351	660,728
Other assets	45,994	57,687
Current Assets	$ 1,296,447	$ 1,222,310
Note receiv	145,950	—
Long-term indebt. to be retired	(145,950)	—
#Fixed assets	624,230	532,025
Intangibles	236,384	242,898
Investments total assets	32,370	26,472
Total Assets	$ 2,189,431	$ 2,023,705

Liabilities
(000's)

Short-term debt	$ 9,542	$ 64,355
Long-term debt, curr.	21,542	8,127
Accts. payable & accruals	473,572	429,274
Income taxes	150,978	71,448

Curr. Liabilities	$ 655,634	$ 573,204
Long-term debt	154,270	301,016
Defereed inc. taxes	94,628	73,078
+ Preferred stock series B	876	1.045
+ + Preferred stock $2.90 series	5,474	5,464
+ + + Common stock	220,034	218,338
Add. paid-in capital	260,790	265,282
Retained earnings	801,416	586,278
Treasury stock	(3,691)	—
Total Liabilities & Shareholders' Equity	$ 2,189,431	$ 2,023,705

‡ Restated to include operations of companies acquired on a pooling of interests basis.
* At lower of cost (primarily FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value; $2.50 cum. convert.
+ + No par alue; $2.90 cum. convert.
+ + + $5 par value.

Statistical Summary

%Net Income to Equity	22.15	17.21
Sales to Inventories	3.85	3.54
Working Capital	$640,813,000	$649,106,000
Current Ratio	1.98	2.13
Shareholders' Equity	$1,284,899,000	$1,076,407,000

Corcom, Inc.

1600 Winchester Road
Libertyville, Illinois 60048
(312) 680-7400

Officers: Werner E. Neuman, president; Joseph C. Emms, II, v.p.-sales; Michael B. Head, v.p.-engineering; Glenn O. Maddalon, v.p.-operations; Eugene F. Migely, Jr., v.p.-marketing; Charles R. Whitchurch, v.p.-finance; Walter Roth, secretary.

Directors: Harold H. Hines, Jr., Werner E. Neuman, David B. Pivan, Herbert L. Roth, Walter Roth, Q.T. Wiles.

Areas of Work: Manufactures and markets power line interference filters which control radio frequency interference emitted by electronic equipment. The filters prevent malfuntions in electronic devices and suppress noise pollution.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CORC (NASDAQ)

Number of Employees:

1981 800

Plant Footage:

1981 . . . . . . 153,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 19,385,000	$ 1,542,000
1980	19,030,000	1,392,000
1979	15,449,000	1,092,000
1978	11,713,000	1,005,000
1977	7,891,000	613,000

	No. of Com. Shares	Earn. per Share ‡
1981	1,386,452	$ 1.13
1980	1,256,731	1.11
1979	1,057,348	1.03
1978	1,040,538	0.97
1977	1,060,608	0.58

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,904,000	$ 7.97
1980	9,362,000	7.45
1979	4,073,000	3.85
1978	2,878,000	2.77
1977	1,894,000	1.79

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 19,385,000	$ 19,030,000
Cost of sales	12,456,000	12,098,000
Engineering expenses	938,000	869,000
Sell., adm. & other expenses	3,875,000	3,883,000
Interest expense	114,000	263,000
Income before taxes	$ 2,002,000	$ 1,917,000
Income taxes	460,000	525,000
Net Income	$ 1,542,000	$ 1,392,000

* Included in Costs and Expenses, Depreciation and Amortization: $729,000 in 1981 and $565,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 142,000	$ 86,000
Marketable securities	412,000	600,000
Accts. receiv., net	3,848,000	2,771,000
*Inventories	3,617,000	4,417,000
Def. inc. tax benefits	67,000	—
Current Assets	$ 8,212,000	$ 7,939,000
#Fixed assets	5,465,000	4,580,000
Total Assets	$ 13,677,000	$ 12,519,000

Liabilities

Long-term debt, curr.	$ 11,000	$ 8,000
Accts. payable	445,000	988,000
Income taxes	432,000	170,000
Other accruals	609,000	723,000
Curr. Liabilities	$ 1,497,000	$ 1,899,000
Long-term debt	1,258,000	1,234,000
Deferred inc. taxes	18,000	24,000
+ Common stock	4,354,000	4,354,000
Retained earnings	6,550,000	5,008,000
Total Liabilities & Shareholders' Equity	$ 13,677,000	$ 12,519,000

* At lower of cost (LIFO) or market.
# Less accumulated dereciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.33	10.07
%Net Income to Sales	7.95	7.31
%Net Income to Equity	14.14	14.87
Sales to Inventories	5.36	4.31
Working Capital	$ 6,715,000	$6,040,000
Current Ratio	5.49	4.18
Shareholders' Equity	$10,904,000	$9,362,000

Corning Glass Works

Houghton Park
Corning, New York 14831
(607) 962-9000

Officers: Amory Houghton, Jr., chairman of the board and chief executive officer; Thomas C. MacAvoy, president and chief operating officer; James R. Houghton, vice chairman and chief strategic officer; Roger G. Ackerman, Forrest E. Behm, Van C. Campbell, Richard Dulude, E. Martin Gibson, William H. Hudson, John R. Hutchins, III, Conrad R. Stemski, Robert Turissini, senior vice presidents; Van C. Campbell, sr. v.p.-finance; Oakes Ames, Ralph P. Baker, Jr., Eric N. Birch, William J. Bradshaw, Billie Brown, James A. Burt, Allan D. Cors, David A. Duke, Henry F. Frailey, Joseph C. Littleton, H. Justin Lubold, David B. Luther, Francis H. Olmstead, Jr., David N. Van Allen, vice presidents; WilliamC. Ughetta, v.p., general counsel and v.p. & secretary; James E. Riesbeck, v.p. & controller; James L. Flynn, v.p. & treasurer; Andrew H. Baker, Claud H. Schuckers, asst. controllers; Chesley P.W. Booth, Clarence R. Patty, Jr., A. John Peck, Jr., asst. secretaries; Robert L. Sullivan, asst. treasurer.

Directors: Amory Houghton, Jr., chairman; Thomas C. MacAvoy, James R. Houghton, Forest E. Behm, Mary L. Bundy, Francis H. Burr, John B Coburn, Henry H. Fowler, Robert L. Genillard, Carla A. Hills, James W. Kinnear, Edward L. Palmer, Donald S. Perkins, Henry Rosovsky, Robert G. Stone, Jr., Robert S. McNamara.

Areas of Work: Operates in four broad industry segments: Consumer products-manufactures tablewares and housewares including glass and glass-ceramic cookware for cooking, serving, and storing food, indoor plant containers, and "Steuben" lead crystal. Consumer Durable Components-produces bulbs for both black and white and color television sets, automotive halogen-cycle lamps, bulbs, tubing, lenses, reflectors, and filters used in automotive pollution control devices. Capital Goods Components-manufactures refractory blocks, technical ceramics based on zirconia, oxygen sensors, electronic components such as resistors and capacitors, optical waveguides, optical cables, copper cable, and aircraft windows. Health and Science-manufactures medical diagnostic products, optical ware, and opthalmic lenses, laboratory ware, and glass piping.

Subsidiaries:

Components, Incorporated
Biddeford, Maine

Corning International Corporation
Corning, New York

Corning Glass International Sales Corporation
Corning, New York

Corning Investments, Inc.
Wilmington, Delaware

Pacific Glass Corporation
Taipei, Taiwan

Corning Canada Inc.
Toronto, Ontario, Canada

Corning Finance, A.G.
Zug, Switzerland

Corning Glas G.m.b.H.
Wiesbaden, West Germany

Corning Nederland, B.V.
Breda, The Netherlands

Pacific International Corp
Taipei, Taiwan

Corning Limited
Sunderland, England

Corning A.B.
Malmo, Sweden

Corning Europe Inc.
Paris, France

Corning K.K.
Tokyo, Japan

IMA, GmbH
Giessen, West Germany

Corning S.p.A.
Milan, Italy

Corning Mexicana, S.A. de C.V.
Monterrey, Mexico

Corning Venezolana, S.A.
Caracas, Venezuela

Corning Glass Works

Rigolleau, S.A.
Buenos Aires, Argentina

Productos Corning de Mexico, S.A. de C.V.
Monterrey, Mexico

Sovcor, S.A.
Paris (Le Vesinet), France

Corning France, S.A.
Avon, France

Teddington Company Limited
Hamilton, Bermuda

Vidros Corning Brasil, Ltda.
Suzano, Brazil

Corning Designs Ltd.
Clinton, New Jersey

Gilford Instrument Laboratories, Inc.
Oberlin, Ohio

Afora, S.A.
Barcelona, Spain

E.I.V.S.
Paris (Villeneuva-la-Garenne), France

Q.V.F. Glastechnik, G.m.b.H.
Wiesbaden, Germany

Corning Latin America/Asia-Pacific, Inc.
Corning, New York

Dow Corning Corporation (50% owned)
Midland, Michigan

Owens-Corning Fiberglas Corporation
Toledo, Ohio

Pittsburgh Corning Corporation (50% owned)
Pittsburgh, Pennsylvania

Borosil Glass Works Limited (39.5% owned)
Bombay, India

Crown Corning Limited (50% owned)
Sydney, N.S.W. Australia

Iwaki Glass Company, Ltd. (49.8% owned)
Tokyo, Japan

Samsung Corning Company Ltd. (50% ownd)
Seoul, Korea

Siecor G.m.b.H. (50% owned)
Munich, Germany

Radelcor Intrument Sales Ltd. (49% owned)
Budapest, Hungary

Asahi Medico, K.K.
Tokyo, Japan

Corning (H.K.) Ltd.
Hong Kong

Draloric GmbH
Selb, West Germany

K.C. Biological, Inc.
Lenexa, Kansas

N-Cor Ltd. (50% owned)
Nagoya, Japan

Vitrocrisa Kristal, S.A. (45% owned)
Monterrey, Mexico

Siecor Corporation (50% owned)
Hickory, North Carolina

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): * New York, Zurich, Boston, Midwest, Pacific, Philadelphia

* Listed and/or traded.

Ticker Symbol: GLW

Number of Employees:

1981	29,900	1978	29,500
1980	28,800	1977	29,700
1979	30,200		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981*	$ 1,598,500	$ 97,400
1980	1,529,670	114,720
1979	1,421,598	124,943
1978	1,251,728	104,363
1977	1,119,630	92,083

	No. of Com. Shares	Earn. per Share +
1981	18,276,883	$ 5.32
1980	18,312,662	6.26
1979	17,672,394	7.05
1978	17,742,576	5.89
1977	17,704,006	5.20

* 53 weeks.
+ Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Consumer products	$ 428,800	$ 374,455
Consumer durable components	416,800	443,725
Capital goods components	378,500	360,885
Health & science	374,400	350,605
Total	$ 1,598,500	$ 1,529,670

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.32	—	—
1980	2.17	—	—
1979	1.94	—	—
1978	1.73	—	—
1977	1.56	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 965,400	$ 52.82
1980	912,707	49.84
1979	827,964	46.85
1978	741,717	41.80
1977	666,440	37.64

Income Account *
(000's)

Year ended	1/3/82	12/28/80
Net sales	$ 1,598,500	$ 1,529,670
Cost of sales	1,147,400	1,082,253
Expenses	393,500	362,342
Oper. profit	$ 57,600	$ 85,075
Other income	(11,300)	(27,060)
Interest expense	29,300	18,732
Interest income	(23,500)	(29,011)
Income before taxes	$ 63,100	$ 122,414
Income taxes	14,600	46,951
Minority interest	1,400	2,500
Equity in earnings of assoc. companies	30,300	41,800
Net Income	$ 97,400	$ 114,720

* Included in Costs and Expenses, Depreciation and Amortization: $89,500,000 in 1981 $73,957,000 in 1980

Assets
(000's)

As of	1/3/82	12/28/80
Cash	$ 17,500	$ 33,565
Short-term invest.	69,800	89,719
Accts. receiv., net	236,100	223,445
*Inventories	261,500	230,332
Prepaid exp. & def. inc. taxes	58,300	70,089
Current Assets	$ 643,200	$ 647,150
Investments	338,500	293,144
#Fixed assets	589,400	535,909
Goodwill	20,200	7,351
Other assets	22,100	16,070
Total Assets	$ 1,613,400	$ 1,499,624

Liabilities
(000's)

Loans payable	$ 45,200	$ 45,695
Accts. payable	79,900	86,390
Accrued liabilities & accruals	58,200	69,719
Wages & employee benefits	71,800	72,802
Income taxes	86,000	70,221
Curr. Liabilities	$ 341,100	$ 344,827
Loans payable	200,100	153,606
Accrued furniture repairs	27,300	23,752
Minority interest	7,700	6,699
Deferred invest. credits & deferred inc. taxes	33,700	24,823
Other liabilities	36,100	33,210
+Common stock	90,800	93,059
Retained earnings	874,600	819,648
Total Liabilities & Shareholders' Equity	$ 1,613,400	$ 1,499,624

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.95	8.00
%Net Income to Sales	6.09	7.50
%Net Income to Equity	10.09	12.57
Sales to Inventories	6.11	6.64
Working Capital	$302,100,000	$302,323,000
Current Ratio	1.89	1.88
Shareholders' Equity	$965,400,000	$912,707,000

CPT Corporation

8100 Mitchell Road
P.O. Box 295
Minneapolis, Minnesota 55440

Officers: Dean F. Scheff, chairman of the board & chief executive officer; Gary R. Holland, president & chief operating officer; Dale R. Clift, v.p., chief financial officer & treasurer; Jerome J. Jenko, v.p., secretary & general counsel; Frank Broghammer, Richard E. Eichhorn, Robert Gallagher, Gerald Galush, Stephen J. Hayden, Richard Klegon, John Stearns, James L. Wienhold, vice presidents.

Directors: Dean F. Scheff, chairman; George N. Butzow, Richard E. Eichhorn, Thomas G. Herschbach, Gary R. Holland, John R. MacLennan, Charles W. Oswald, Lawrence Perlman, Willard C. Shull, III.

Areas of Work: The corporation designs, manufactures and distributes word processing systems including consoles, mass storage systems and printers as well as related software.

Transfer Agent(s):

Marquette National Bank
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPTC (NASDAQ)

Number of Employees:

1981	994	1978	305
1980	702	1977	221
1979	455		

Plant Footage:

1981	278,000 sq. ft.	1978	60,000
1980	187,000	1977	60,000
1979	73,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 101,344,000	$ 12,516,000
1980	59,277,000	6,112,000
1979	33,928,000	3,515,000
1978	20,133,000	2,002,000
1977	12,982,000	1,303,000

	No. of Com. Shares	Earn. per Share #
1981	14,569,930	$ 0.83
1980	13,965,651	0.45
1979	12,152,415	0.30
1978	10,579,665	0.20

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-1
1980	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 52,932,000	$ 3.63
1980	32,864,000	2.35
1979	17,107,000	1.41
1978	9,347,000	0.88

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 90,901	$ 53,315
Rentals & maint.	10,443	5,962
Total revenues	$ 101,344	$ 59,277
Cost of sales	46,601	29,163
Cost of rentals & maint.	6,048	3,301
Expenses	30,750	15,663
Interest expense	2,010	505
Interest income	(3,118)	(815)
Other expense	644	342
Income before taxes	$ 18,409	$ 11,118
Income taxes	5,893	5,006
Net Income	$ 12,516	$ 6,112

* Included in Costs and Expenses, Depreciation and Amortization: $5,029,000 in 1981 and $2,696,000 in 1980.

Assets
(000's)

As at June 30	1981	1980
Cash	$ 1,464	$ 1,071
Marketable securities	22,127	—
Accts. receiv., net	29,370	18,399
Other receiv.	1,017	57
*Inventories	23,181	20,041
Other curr. assets	816	191
Current Assets	$ 77,975	$ 39,759
#Fixed assets	20,934	13,001
Other assets	1,832	856
Total Assets	$ 100,741	$ 53,616

Liabilities
(000's)

Notes payable	$ 165	$ 4,900
Long-term debt, curr.	498	153
Accts. payable	9,802	4,823
Salaries & comm. payable	2,743	1,520
Income taxes	5,590	722
Accrued liab.	3,397	1,385
Deferred revenue	673	448
Curr. Liabilities	$ 22,868	$ 13,951
Long-term debt	4,980	4,510
Convert. subord. deben.	19,001	—
Deferred inc. taxes	960	2,291
+Common stock	729	698
Add. paid-in capital	24,628	17,107
Retained earnings	27,575	15,059
Total Liabilities & Shareholders' Equity	$ 100,741	$ 53,616

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.25	20.85
%Net Income to Sales	13.77	11.46
%Net Income to Equity	23.65	18.60
Sales to Inventories	3.92	2.66
Working Capital	$55,107,000	$25,808,000
Current Ratio	3.41	2.85
Shareholders' Equity	$52,932,000	$32,864,000

Craig Corporation

1900 Avenue of the Stars, Suite 2240
Los Angeles, California 90067
(213) 879-1545

Officers: Robert Craig, chairman of the board & chief executive officer; Peter M. Behrendt, president; Edward Y. Motokane, exec. vice president; Lauren C. Davies, sr. v.p.; P. Algis Raulinaitis, sr. v.p.-finance & secretary; Kent W. Davidson, v.p.-marketing; Marshal R. Brown, v.p.-quality & customer service; William R. Collins, v.p.-operations; Robert L. Woolheater, v.p., controller and treasurer; H. Brooks Cope, asst. secretary.

Directors: Robert Craig, chairman; James E. Cross, Sydney Rosenberg, Peter M. Behrendt, Edward Motokane, Philip L. Ball, Harvey Karp, Robert S. Dickerman.

Divisions and Subsidiaries:

Craig Group
921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233

Imports consumer electronic products from Japan which are designed to Craig specifications, including citizens band radios, tape recorders, home and auto stereo units and dictating equipment.

Magnasync/Moviola Corporation
5547 Satsuma
North Hollywood, California 91601
(213) 877-2791

Manufactures professional motion picture editors for studio use and multi-channel recording equipment.

Dynatech Corp.
1225 Wakeham Avenue
Santa Ana, California 92705
(714) 547-6559

Manufactures electronic connectors and back plane panels.

Dimension Specialty Co., Inc.
921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233

Represents various suppliers for consumer products for both import and export.

International Merchandising Associates Inc.
1950 Estes
Elk Grove Village, Illinois 60007

Manufactures clock radios, small audio systems and calculators.

Transfer Agent(s):

Bank of America NT & SA
111 West 7th Street
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: CRA

Number of Employees:

1981	750	1978	753
1980	873	1976	700
1979	886		

Plant Footage:

1980	369,000 sq. ft.	1977	321,000
1979	390,000	1976	321,000
1978	347,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 113,851,000	$ (1,942,000)
1980	125,705,000	(353,000)
1979	119,086,000	1,802,000
1978	119,009,000	6,960,000
1977	132,756,000	11,051,000

	No. of Com. Shares	Earn. per Share #
1981	3,024,755	$ —
1980	3,027,328	—
1979	3,049,877	0.59
1978	3,109,620	2.23
1977	3,117,593	3.52

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Consumer electronics	$ 75,944,000	$ 95,300,000
Communications & motion picture equip.	9,255,000	9,934,000
Electronic components	10,363,000	11,526,000
Photographic equip.	18,289,000	8,945,000
Total	$ 113,851,000	$ 125,705,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	0.125	—	—
1979	0.50	—	—
1978	0.475	—	—
1977	0.275	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 37,023,000	$ 12.24
1980	38,981,000	12.88
1979	39,968,000	13.10
1978	40,525,000	13.03
1977	35,191,000	11.29

Income Account *

Year ended June 30	1981	1980
Net sales	$ 113,851,000	$ 125,705,000
Cost of sales	90,506,000	95,640,000

	1981	1980
Expenses	25,233,000	27,816,000
Interest expense	1,926,000	3,164,000
Loss before taxes	$ (3,814,000)	$ (915,000)
Tax credit	(1,872,000)	(532,000)
Net Loss	$ (1,942,000)	$ (383,000)

* Included in Costs and Expenses, Depreciation and Amortization: $786,000 in 1981 and $571,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 2,652,000	$ 2,197,000
Receiv., net	24,143,000	27,999,000
Deferred tax benefit	630,000	352,000
*Inventories	16,207,000	35,405,000
Prepaid expenses	1,056,000	1,382,000
Current Assets	$ 44,688,000	$ 67,335,000
#Fixed assets	3,413,000	2,969,000
Other assets	373,000	651,000
Total Assets	$ 48,474,000	$ 70,955,000

Liabilities

	1981	1980
Notes payable	$ 75,000	$ 2,105,000
Long-term debt, curr.	2,168,000	2,174,000
Accts. payable	1,660,000	2,582,000
Other liabilities	2,830,00	2,745,000
Trade acceptances & advances	960,000	16,442,000
Curr. Liabilities	$ 7,693,000	$ 26,048,000
Long-term debt	3,758,000	5,926,000
+Common stock	788,000	788,000
Add. paid-in capital	4,214,000	4,214,000
Retained earnings	33,371,000	35,313,000
Treasury stock	(1,350,000)	(1,334,000)
Total Liabilities & Shareholders' Equity	$ 48,474,000	$ 70,955,000

* At lower of cost (FIFO) or market. Electronics inventories at average cost.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

	1981	1980
Sales to Inventories	7.02	3.55
Working Capital	$36,995,000	$41,287,000
Current Ratio	5.81	2.59
Shareholders' Equity	$37,023,000	$38,981,000

Cray Research, Inc.

1440 Northland Drive
Minneapolis, Minnesota 55402
(612) 333-5889

Officers: John A. Rollwagen, chairman of the board & chief executive officer; Peter A. Jones, Lester T. Davis, exec. v.p.'s; John Carlson, sr. v.p. & treasurer; G. Stuart Patterson, Jr., sr. v.p.; Andrew Scott, counsel; Steve Chen, v.p.-development; Michael Dickey, v.p.-international marketing; Peter Gregory, v.p.-corporate planning; Bruce Kasson, v.p.-U.S. sales; Margaret Loftus, v.p.-software development; M. Dean Roush, v.p.-engineering; Don Whiting, v.p.-manufacturing; Michael Lindseth, corporate controller; David E. Frasch, secretary.

Directors: Seymour R. Cray*, chairman; Francis X. Driscoll, Thomas A. Longo, G. Stuart Patterson, Jr., John A. Rollwagen*, Andrew Scott*, Robert F. Zicarelli.

*Member of Executive Committee.

Areas of Work: Engaged in the design, development and manufacture of large-scale, high-speed computing systems intended for scientific applications, and the marketing and maintenance of such systems.

Subsidiaries:

Cray Research GmbH
Munich, West Germany

Cray Research Japan, Limited
Tokyo, Japan

Cray Research (U.K.) Ltd.
Workingham, England

Cray Research France, S.A.
Paris, France

Transfer Agent(s):

First Trust Company of St. Paul
St. Paul, Minnesota 55101

Manufacturers Hanover Trust Company
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CYR

Number of Employees:

1981	1,079	1978	321
1980	761	1977	199
1979	524		

Plant Footage:

1981 . . . . . . 195,500 sq. ft.

Sales and Earnings

	Revenue	Net Income ‡
1981	$ 101,642,000	$ 18,170,000
1980	60,748,000	10,900,000
1979	42,715,000	7,819,000
1978	17,177,000	3,501,000
1977	11,394,000	2,027,000

	No. of Com. Shares	Earn. per Share ‡ #
1981	13,661,000	$ 1.32
1980	13,590,000	0.85
1979	12,346,000	0.63
1978	12,260,000	0.22
1977	10,896,000	0.10

(Loss)
‡ Including extraordinary gains of $900,000 ($0.07 per share) in 1978 and $1,000,000 ($0.09 per share) in 1977.
# Based on the weighed average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-1
1979	—	—	—
1978	—	—	5-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 94,951,000	$ 6.95
1980	75,803,000	5.58
1979	28,623,000	2.32
1978	20,638,000	1.68
1977	14,636,000	1.34

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 65,207	$ 37,645
Leased systems	26,554	15,841
Service fees	9,881	7,262
Revenues	$ 101,642	$ 60,748
Cost of sales	18,018	10,460
Cost of leased systems	10,738	6,356
Cost of service	7,690	5,385
Expenses	34,746	19,990
Interest expense	1,447	776
Interest income	(3,242)	(1,754)
Other income	(225)	(265)
Income before taxes	$ 32,470	$ 19,800
Income taxes	(14,300)	8,900
Net Income	$ 18,170	$ 10,900

* Included in Costs and Expenses, Depreciation and Amortization: $15,698,000 in 1981 and $8,962,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 1,261	$ 669
Investments	17,230	35,161
Accts. receiv., net	15,639	2,524
*Inventories	48,751	30,651
Prepaid expenses	998	548
Current Assets	$ 83,879	$ 69,553
#Leased systems & spares	27,231	15,004
#Fixed assets	25,076	19,213
Defer. charges & other assets	1,134	738
Total Assets	$ 137,320	$ 104,508

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 896	$ 718
Accts. payable	7,171	3,911
Accruals	1,113	872
Employee compensation	4,690	2,580
Income taxes	3,899	7,376
Other taxes	620	420
Cust. adv. pay.	3,563	133
Curr. Liabilities	$ 21,952	$ 16,010
Long-term debt	12,360	7,876
Deferred inc. taxes	8,057	4,819
+Common stock	13,661	13,590
Add. paid-in capital	42,853	41,946
Retained earnings	38,437	20,267
Total Liabilities & Shareholders' Equity	$ 137,320	$ 104,508

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	49.80	52.60
%Net Income to Revenues	28.87	28.95
%Net Income to Equity	19.14	14.38
Working Capital	$61,927,000	$53,543,000
Current Ratio	3.82	4.34
Shareholders' Equity	$94,951,000	$75,803,000

Crestek, Inc.

(formerly Crest Ultrasonics Corporation)

Scotch Road
Mercer County Airport
Trenton, New Jersey 08628
(609) 883-4000

Officers: Michael J. Nash, president & chief executive officer; Anton H. Rice, III, chief financial officer; Frank Joworisak, treasurer & secretary.

Directors: Anton H. Rice, III, chairman; William P. O'Connor, Edward Gutowski, Thomas G. Parker, David Preston, Michael J. Nash.

Areas of Work: Manufactures ultrasonic and non-ultrasonic cleaning equipment, including custom engineered and automated systems and vapor degreasers.

Acquisition(s):

Ultrasonic Division of UTI

Transfer Agent(s):

Fidelity Union Trust Company
Trust Dept.
765 Broad Street
Newark, New Jersey 07101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CRST (NASDAQ)

Number of Employees:

1980	50	1977	45
1979	50	1976	45
1978	46		

Plant Footage:

1980	50,000 sq. ft.	1977	20,000
1979	20,000	1976	20,000
1978	20,000		

Sales and Earnings

	Net Sales	Net Income ‡
1980	$ 3,500,345	$ 328,877
1979	2,864,705	264,050
1978	2,206,308	166,529
1977	1,631,854	93,751
1976	1,413,174	39,970

	No. of Com. Shares	Earn. per Share ‡ +
1980	610,859	$0.43
1979	425,879	0.42
1978	273,442	0.31
1977	348,442	0.17
1976	308,442	0.08

‡ Including extraordinary gains of $16,500 ($0.03 per share) in 1978, $21,000 ($0.04 per share) in 1977 and $8,768 ($0.02 per share) in 1976.

+ Based on the average number of common shares and common share equivalents outstanding and adjusted to reflect stock splits and stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	6-for-5
1979	—	8%	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 717,132	$1.17
1979	335,615	0.79
1978	67,277	0.25

Income Account *

Year ended June 30	1980	1979
Net sales	$ 3,500,345	$ 2,864,705
Cost of sales	1,721,821	1,373,996
Expenses	1,264,487	997,229
Oper. profit	$ 514,037	$ 493,480
Other income	22,593	7,297
Total	$ 536,630	$ 500,777
Interest expense	3,753	12,727
Income before taxes	$ 532,877	$ 488,050
Income taxes	204,000	224,000
Net Income	$ 328,877	$ 264,050

* Included in Costs and Expenses, Depreciation and Amortization: $13,416 in 1980 and $15,430 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 643,213	$ 51,148
Marketable securities	50,000	200,000
Notes and accts. receiv., net	537,189	518,648
* Inventories	343,424	239,200
Prepaid expenses	20,312	15,791
Current Assets	$ 1,594,138	$ 1,024,787
Notes receiv.	7,500	17,500
# Fixed assets	293,344	77,403
Other assets	125,333	25,512
Total Assets	$ 2,020,315	$ 1,145,202

Liabilities

Long-term debt, curr.	$ 64,493	$ 26,088
Accts. payable	145,033	120,738
Accruals	112,610	117,018
Advances from cust.	24,026	—
Income taxes	80,514	190,105
Curr. Liabilities	$ 426,684	$ 453,949
Long-term debt	604,299	23,038
Deferred inc. taxes	7,000	—
+ Redeem. pref. stock-Class B	104,100	171,500
+ + Redeem. pref. stock	1,611	1,611
Exc. of redemp. price over par-$6.50 pref.	159,489	159,489
+ + + Common stock	35,783	34,935
Add. paid-in capital	299,199	228,240
Retained earnings	513,219	203,509
Exc. of redemp. price over fair value-pref. stock	(131,069)	(131,069)
Total Liabilities & Shareholders' Equity	$ 2,020,315	$ 1,145,202

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; $6.75 cumulative.
+ + $1 par value; $6.50 cumulative.
+ + + No par value.

Statistical Summary

%Income before Taxes to Sales	15.22	17.04
%Net Income to Sales	9.40	9.22
%Net Income to Equity	45.86	78.68
Sales to Inventories	10.19	11.98
Working Capital	$ 1,167,454	$ 570,838
Current Ratio	3.74	2.26
Shareholders' Equity	$ 717,132	$ 335,615

Criton Corporation

(formerly Heath Tecna Corporation)

10800 NE 8th Street
Bellevue, Washington 98004
(206) 453-9400

Officers: Carroll M. Martenson, chairman of the board and chief executive officer; Donald R. Stenquist, president; Thomas T. Claudson, Robert W. Cremin, Wendell P. Hurlbut, group vice presidents; Harold S. Meden, v.p.-corporate development; Robert W. Stevenson, v.p.-finance and secretary; Robert E. Schorn, treasurer.

Directors: Carroll M. Martenson*, chairman; Robert S. Ames, Edward H. Cooley, Bert H. Hambleton, Robert V. Hansberger*, Howard W. Hill, James E. Knott, Kenneth J. Prince*, Robert M. Thorpe*, James A. Walsh, Harold H. Heath.

*Member of the Executive Committee.

Areas of Work: Produces electronic connectors, avionics equipment, tactical air navagation beacon simulators, metal-bond panels, consumable shell casings, aircraft ground support products, fiberglass reinforced plastic aircraft and helicopter components, interior components for commercial jet airliners, hearing aids, audiometers, electronic cables, building products and protective finishings.

Divisions and Subsidiaries:

Anoment Metal Finishing, Inc.
2615 Corporate Avenue
Eden Landing Industrial Park
Hayward, California 94545

Armtec Defense Products, Inc.
85-901 Avenue 53
Coachella, California 92236
(714) 398-0143

Fentron Building Products, Inc.
2801 N.W. Market Street
Seattle, Washington 98107
(206) 782-7500

Heath Tecna Precision Structures, Inc.
19819 84th Avenue South
Kent, Washington 98031
(206) 872-7500

Hytek Finishes Co.
8202 S. 200th Street
Kent, Washington 98301
(206) 872-7160

Korry Manufacturing Co.
223 8th Avenue North
Seattle, Washington 98109
(206) 223-5400

Maico Hearing Instruments, Inc.
7375 Bush Lake Road
Minneapolis, Minnesota 55435
(612) 835-4400

Midcon Cable, Inc.
250 Davis Boulevard
Joplin, Missouri 64801
(417) 781-4331

Plastic Fabricating Inc.
1650 S. McCormas Avenue
Wichita, Kansas 67213
(316) 942-1241

Republic Electronics, Inc.
575 Broad Hollow Road
Melville, New York 11747
(516) 249-1414

TA Mfg., Inc.
375 West Arden Avenue
Glendale, California 91203
(213) 240-4600

Viking Connectors, Inc.
21001 Nordhoff Street
Chatsworth, California 91311
(213) 341-4330

Wollard Airport Equipment, Inc.
6950 Northwest 77th Court
Miami, Florida 33166
(305) 592-5450

Acquisition(s):

Korry Manufacturing Co. (September 1981)
Seattle, Washington

Manufactures commercial, military and general aviation aircraft; electronic instruments and military equipment.

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: CN

Number of Employees:

1981	2,850	1978	2,370
1980	2,521	1977	1,592
1979	2,640		

Sales and Earnings

	Net Sales +	Net Income
1982	$ 155.265.000	$ 16.478.000
1981	140.807.000	18.936.000
1980	123.814.000	11.945.000
1979	91.600.000	7.665.000
1978	56.142.000	4.585.000

	No. of Com. Shares #	Earn. per Share #
1982	3.530.000	$ 4.67
1981	3.483.000	5.44
1980	3.429.000	3.48
1979	4.053.000	1.89
1978	4.540.000	1.01

+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1982	1981
Air transportation prod.	$ 76.326.000	$ 65.330.000
Building products & protective finishes	22.526.000	23.786.000
Electronics & defense	56.413.000	51.691.000
Total	$ 155.265.000	$ 140.807.000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	—	3-for-2
1980	—	—	3-for-2
1979	—	—	—
1978	—	—	3-for-1

Common Stock Equity †

	Total Equity	Equity Per Share #
1982	$ 71,014,000	$ 21.61
1981	53,918,000	16.61
1980	34,460,000	10.81
1979	22,377,000	7.06
1978	14,569,000‡	4.98

† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ After allowing for preferred stock.
# Adjusted to reflect stock splits.

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 155.265.000	$ 140.807.000
Cost of sales	103.261.000	91.946.000
Expenses	24,830.000	23.353.000
Interest expense	411.000	1.124.000
Other income	(3,382.000)	(1.135.000)
Income before taxes	$ 30.145.000	$ 25.519.000
Income taxes	13.667.000	11.539.000
Income from cont.-oper.	$ 16,478,000	$ 13.980.000
Income from discont.-oper	—	4.956.000
Net Income	$ 16.478.000	$ 18.936.000

* Included in Costs and Expenses. Depreciation and Amortization: $2.868.000 in 1982 and $2.205.000 in 1981.

Assets

As of Jan. 31	1982	1981
Cash	$ 1.127.000	$ 349.000
Short-term invest.	15.566.000	18.814.000
Accts. receiv., net	25.036.000	21.586.000
* Inventories	32.325.000	22.599.000
Prepaid expenses	1.699.000	161.000
Current Assets	$ 75.753.000	$ 63.509.000
# Fixed assets	23.395.000	19.620.000
Other assets	5.270.000	5.252.000
Total Assets	$ 104.418.000	$ 88.381.000

Liabilities

Notes payable & cap. lease oblig.. curr.	$ 349.000	$ 322.000
Accts. payable	17.046.000	17.043.000
Accruals	4.933.000	4.593.000
Income taxes	6.920.000	8.100.000
Curr. Liabilities	$ 29.308.000	$ 30.058.000
Long-term debt	4.096.000	4.405.000
+ Common stock	1.217.000	1.202.000
Add. paid-in capital	7.467.000	6.864.000
Retained earnings	62.330.000	45.852.000
Total Liabilities & Shareholders' Equity	$ 104.418.000	$ 88.381.000

* At lower of cost (LIFO) or market for the distribution subsidiary. all others at lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ No par value. $0.37 stated value.

Statistical Summary

%Income bef. taxes to Sales	19.42	—
%Net Income to Sales	10.61	—
%Net Income to Equity	23.20	34.91
Sales to Inventories	4.80	6.23
Working Capital	$46.445.000	$33.451.000
Current Ratio	2.58	2.11
Shareholders' Equity	$71.014.000	$53.918.000

Cross & Trecker Corporation

505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

Officers: Ralph E. Cross, chairman of the board; Francis Trecker, vice chairman; Russell A. Hedden, president & chief executive officer; Jerome B. Herb, v.p.-corp. staff; Leon B. Musser, v.p.-marketing & corp. development; Donald E. Porter, v.p.-law & secretary; Robert T. Jeffares, v.p.-finance & treasurer; Larry C. Helber, asst. treasurer; Johannes A. Buiteweg, asst. secretary.

Directors: Ralph E. Cross*, chairman; Francis J. Trecker, vice chairman; Eugene P. Berg*, Ralph E. Cross, Jr.*, Russell A. Hedden*, Algie A. Hendrix*, Edward C. Mabbs, Thomas F. Russell, Herbert M. Shilson*, Harold A. Strickland, Jr.

* Member of the Executive Committee.

Areas of Work: Designs and builds special metal-cutting, assembly, and testing machines and integrated manufacturing systems. Also manufactures computer numerically-controlled machining centers and milling machines and computer-controlled multiple-machine flexible manufacturing systems. Designs and builds automated systems for the foundry and power generating industries.

Operating Units:

The Cross Company
17801 East Fourteen Mile Road
Fraser, Michigan 48026
Manufactures special machine tools.

Cross Export Company
Domestic International Sales Corporation

Cross Europa-Werk, GmbH
7317 Wendlingen/Neckar
West Germany

Cross International, A.G.
Fribourg, Switzerland

Cross International, A.G.
Knowsley, Merseyside L34 9EZ, U.K.

Kearney & Trecker Corporation
11000 Theodore Trecker Way
Milwaukee, Wisconsin 53214
Produces computer-controlled machine tools and multiple-machine flexible manufacturing systems.

Georgetown Manufacturing Corporation
Georgetown, Kentucky 40324

Trexports, Inc.
Domestic International Sales Corporation

Kearney & Trecker GmbH
Schlossstrasse 65-67
7000 Stuttgart 1, West Germany

Kearney & Trecker Norden AB
Taby 18302, Sweden

Roberts Corporation
3001 West Main Street
Lansing, Michigan 48901
Manufactures sand and mold handling systems, automatic pouring systems, and various support equipment for the foundry industry.

Industrial Equipment Division
Lansing, Michigan 48901

Southern Division
Birmingham, Alabama 35215

Transfer Agent(s):

First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTCO (NASDAQ)

Number of Employees:

1981	4,600	1978	3,600
1980	4,300	2977	3,500
1979	4,100		

Plant Footage:

1981 . . . . . . 1,679,500 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1981	$ 408,916,000	$ 41,169,000
1980	355,385,000	33,397,000
1979	297,956,000	26,387,000
1978	236,095,000	17,090,000
1977	170,875,000	10,716,000

	No. of Com. Shares #	Earn. per Share † #
1981	12,388,000	$ 3.32
1980	12,372,000	2.70
1979	12,279,000	2.15
1978	12,152,000	1.41
1977	12,056,000	0.89

† Including extraordinary gain of $961,000 ($0.08 per share) in 1977.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.677	—	—
1980	0.562	—	3-for-2
1979	0.403	—	—
1978	0.282	—	—
1977	0.203	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 187,919,000	$ 15.17
1980	155,112,000	12.52
1979	128,552,000	10.41
1978	106,725,000	8.73
1977	92,699,000	7.66

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 408,916	$ 355,385
Cost of sales	277,590	244,092
Expenses	59,256	54,071
Other income	(5,793)	(6,722)
Interest expense	2,444	1,569
Income before taxes	$ 75,419	$ 62,375
Income taxes	34,250	28,978
Net Income	$ 41,169	$ 33,397

* Included in Costs and Expenses, Depreciation: $6,071,000 in 1981 and $5,546,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 7,912	$ 4,204
Short-term invest.	39,410	43,338
Trade receiv.	117,730	68,841
*Inventories	93,744	99,612
Prepaid expenses	1,408	1,377
Current Assets	$ 260,204	$ 217,372
Deferred tax benefit	2,648	—
#Fixed assets	67,651	46,451
Unexpended bond proc.	1,000	7,265
Other assets	3,908	4,249
Toal Assets	$ 335,411	$ 275,337

Liabilities
(000's)

	1981	1980
Short-term debt	$ 10,659	$ 3,310
Long-term debt, curr.	830	1,100
Accts. payable	21,751	21,119
Advance payments	3,064	7,507
Accruals	40,770	30,497
Income taxes	51,046	33,731
Curr. Liabilities	$ 128,120	$ 97,264
Long-term debt	13,713	15,123
Deferred income	5,659	5,267
Deferred inc. taxes	—	2,571
+Common stock	12,389	12,384
Add. paid-in capital	15,921	15,898
Retained earnings	159,609	126,830
Total Liabilities & Shareholders' Equity	$ 335,411	$ 275,337

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.44	17.55
%Net Income to Sales	10.07	9.40
%Net Income to Equity	21.91	21.53
Sales to Inventories	4.36	3.57
Working Capital	$132,084,000	$120,108,000
Current Ratio	2.03	2.23
Shareholders' Equity	$187,919,000	$155,112,000

CTS Corporation

905 N. West Boulevard
Elkhart, Indiana 46514
(219) 293-7511

Officers: Joseph DiGirolamo, chairman of the board & chief operating officer; Robert D. Hostetler, president & chief executive officer; James S. Taylor, v.p., chief financial officer, general counsel & secretary; Gary B. Erekson, Charles C. Smith, John P. Colglazier, corporate vice presidents; Wayne A. Barden, v.p.-corporate engineering & development; Robert A. Stackhouse, v.p.-corporate marketing; Duane H. Daering, v.p.-personnel & industrial relations; Wayne A. Beaverson, v.p.-corporate development; David K. Sentman, treasurer; William D. Baker, controller; James E. Hayes, asst. controller; Jeannine M. Davis, asst. secretary.

Directors: Joseph DiGirolamo*, chairman of the board; Robert D. Hostetler*, Gary B. Erekson, John C. Hancock, Clinton W. Hartman*, Gerald H. Frieling, Don J. Kacek, James S. Taylor, David L. Howe*, George F. Sommer, Basil S. Turner.

*Member of Executive Committee.

Areas of Work: Manufactures electronic components for consumer, industrial and military electronic equipment. Products include variable resistors (potentiometers and trimmers), cermet microelectronic products (resistor and/or capacitor networks, hybrid circuits and variable resistors), loudspeakers, quartz crystal products (quartz crystals, filters, oscillators and crystal component ovens), injection molded plastic products, solid state rectifiers, selector switches, tools and dies, and automation machinery, tire rasps, and custom display fixtures.

Subsidiaries:

CTS of Elkhart Inc.
1142 West Beardsley Avenue
Elkhart, Indiana 46514
(219) 523-0210

CTS of Berne, Inc.
406 Parr Road
Berne, Indiana 46711
(219) 589-3111

CTS of West Liberty, Inc.
West Liberty, Ohio

CTS of Asheville, Inc.
Mills Gap Road
Skyland, North Carolina 28776
(704) 684-6451

CTS Microelectronics, Inc.
1201 Cumberland Avenue
West Lafayette, Indiana 47906
(317) 463-2565

CTS Halex Division
Irvine, California

CTS Knights, Inc.
400 Reimann Avenue
Sandwich, Illinois 60548
(815) 786-8411

CTS Tool, Die & Machine, Inc.
3000 Engle Road
Fort Wayne, Indiana 46809
(219) 747-0531

CTS of Brownsville, Inc.
1100 Roosevelt Street
Brownsville, Texas 78520
(512) 546-5184

Service Plastics, Inc.
1850 Touhy Avenue
Elk Grove Village, Illinois 60007

CTS of Canada, Ltd.
80 Thomas Street
Streetsville, Ontario, Canada
(416) 826-1141

Keene Products, Inc.
P.O. Box 70
Middlebury, Indiana 46540
(219) 825-2161

Printex Corporation
1950 Colony Street
Mountainview, California 94043
(415) 964-5000

Fabri-Tek Incorporated
6900 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-9100

Keene Monon, Inc.
Monon, Indiana

CTS Keene, Inc.
3230 Riverside Avenue
Paso Robles, California
(805) 238-0350

CTS de Mexico, S.A.
Morelos between 6th & 7th
Lauro Villar 378-, Km. 1
Matamoros, Mexico

CTS Components Taiwan, Ltd.
Central 6th Road (Chung Liu Road)
P.O. Box 26020
Kaohsiung, Taiwan

CTS Singapore Pte., Ltd.
Republic of Singapore

CTS of Bentonville
1300 S.E. 8th Street
Bentonville, Arkansas 72712

Acquisition(s):

Printex Corporation (September 30, 1981)
1950 Colony Street
Mountainview, California 94043
(415) 964-5000

Manufactures multilayer and double-sided printed circuit boards.

Fabri-Tek Incorporated (February 25, 1982)
6900 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-9100

Engaged in the design, manufacture and sale of memory products, electronic connectors for the data processing, communication and markets, and printed circuit boards.

Transfer Agent(s):

St. Joseph Valley Bank
429 South Main Street
Elkhart, Indiana 46516

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: CTS

Number of Employees:

1981	6,826	1978	8,160
1980	7,053	1977	7,182
1979	8,443		

Plant Footage:

1980	2,400,000 sq. ft.	1977	2,400,000
1979	2,400,000	1976	2,300,000
1978	2,400,000		

Sales and Earnings †

	Net Sales	Net Income
1981 *	$ 209,572,000	$ 13,106,000
1980	187,977,000	10,272,000
1979	187,951,000	10,955,000
1978	164,820,034	10,716,000
1977	153,527,921	11,806,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981*	4,446,331	$ 2.95
1980	4,420,619	2.32
1979	4,574,526	3.39
1978	4,530,023	2.37
1977	4,649,794	2.54

* 53 weeks.
† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Electronic operations	$ 169,866,000	$ 152,734,000
Metal products	29,299,000	26,110,000
Other products	10,407,000	9,133,000
Total	$ 209,572,000	$ 187,977,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.975	—	—
1980	0.825	—	—
1979	0.80	—	—
1978	0.70	—	—
1977	0.70	—	—

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 116,034,000	$ 25.97
1980	106,232,000	24.17
1979	102,073,000	22.47
1978	95,292,000	20.95
1977	88,041,000	19.36

† Restated.
‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 209,572,000	$ 187,977,000
Cost of sales	165,610,000	149,928,000
Expenses	24,345,000	21,087,000
Other income	4,170,000	(1,817,000)
Income before taxes	$ 23,787,000	$ 18,779,000
Income taxes	10,681,000	8,507,000
Net Income	$ 13,106,000	$ 10,272,000

‡ Restated
* Included in Costs and Expenses, Depreciation and Amortization: $8,642,000 in 1981 and $9,745,000 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash & cert. of deposit	$ 16,464,000	$ 11,692,000
Marketable securities	3,408,000	4,129,000
Accts. receiv., net	25,276,000	24,133,000
Def. tax benefit	1,093,000	497,000
*Inventories	42,492,000	41,835,000
Prepaid expenses	956,000	823,000
Current Assets	$ 89,689,000	$ 83,109,000
#Fixed assets	41,037,000	39,888,000
Other assets	11,400,000	3,638,000
Total Assets	$ 142,126,000	$ 126,635,000

Liabilities

	1981	1980 ‡
Long-term debt, curr.	$ 941,000	$ —
Accts. payable	8,758,000	6,304,000
Accruals	7,096,000	5,472,000
Accrued payroll	3,712,000	3,854,000
Dividends payable	1,121,000	993,000
Income taxes	2,940,000	2,946,000
Curr. Liabilities	$ 24,568,000	$ 19,569,000
Notes payable	1,524,000	834,000
+Common stock	13,004,000	11,179,000
Add. paid-in capital	187,000	187,000
Retained earnings	123,696,000	114,926,000
Treasury stock	(20,853,000)	(20,060,000)
Total Liabilities & Shareholders' Equity	$ 142,126,000	$ 126,635,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.35	9.99
%Net Income to Sales	6.25	5.46
%Net Income to Equity	11.29	9.67
Sales to Inventories	4.93	4.49
Working Capital	$ 65,121,000	$ 63,540,000
Current Ratio	3.65	4.25
Shareholders' Equity	$116,034,000	$106,232,000

Cubic Corporation

9333 Balboa Avenue
San Diego, California 92123
(714) 277-6780

Officers: Walter J. Zable, president, chief exec. officer and chairman of the board; Prentice R. Loomis, senior vice president-finance, treasurer & vice chairman of the board; William Bruner, v.p.-legal, secretary & general counsel; Colvin C. Wellborn, v.p.-marketing & contract administration; Louis G. Dameson, Jr. v.p.-corp. planning; James B. Jenkins, v.p.-contracts; Marlyn L. Hicks, Sam F. Arn, v.p.'s; Raymond L. deKozan, v.p.-marketing; William J. Thompson, v.p.-development planning; Charles H. Cromer, corp. controller; William C. Stewart, Jr., asst. secretary & asst. general counsel.

Directors: Walter J. Zable, chairman, Prentice R. Loomis, Thomas Moran, Mark Miller, Jackson D. Arnold, Walter C. Zable, James M. Arnold.

Areas of Work: Simulation and training systems, navigational systems, surveying equipment, elevators, automated fare collection systems, oil exploration equipment, welding supplies, gases, safety equipment, power-tools. Radio communications equipment, electronic medical equipment, computer service bureau and micrographics.

Divisions and Subsidiaries:

Defense Systems Division
9333 Balboa Avenue
San Diego, California 92123
(714) 277-6780

Cubic Communications
30 Airport Road
Oceanside, California 92054
(714) 757-7525

Cubic Data Systems
8238 Ronson Road
San Diego, California 92111
(714) 560-7066

Cubic Far East Ltd.
Flat B 15/F Far East Mansion
5-6 Middle Road, Tsimshatsui
Kowloon, Hong Kong

G.S. Parsons Companies
9010 Clairemont Mesa Boulevard
San Diego, California 92123
(714) 279-8200

U.S. Elevator
10728 U.S. Elevator Road
Spring Valley, California 92078
(714) 460-1000

Consolidated Cover Company
2601 Workman Mill Road
Whittier, California 90607
(213) 692-9421

Cubic Western Data
5650 Kearny Mesa Road
San Diego, California 92111
(714) 268-3100

Associate Company: Westinghouse Cubic Limited
177 Nutfield Road
Merstham, Surrey
England RH1 3HH

Transfer Agent(s):

Union Bank
Los Angeles, California

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: CUB

Sales and Earnings

	Net Sales	Net Income
1981	$ 228,243,662	$ 11,028,630
1980	196,386,441	8,151,019
1979	171,711,920	8,025,508
1978	143,499,764	7,760,080
1977	123,066,693	6,432,351

	No. of Com. Shares #	Earn. per Share #
1981	3,959,000	$ 2.79
1980	3,952,000	2.06
1979	3,948,000	2.03
1978	3,936,000	1.97
1977	3,936,000	1.63

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenue By Line of Business

	1981 (000's)	%	1980 (000's)	%
Elevator products	$ 86,100	38%	$ 64,563	33%
Defense electronic systems	79,942	35	73,024	37
Fare collection systems	18,960	8	24,239	12
Other	43,242	19	34,560	18
Total	$228,244	100%	$196,386	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.47	—	4-for-3
1980	0.45	—	—
1979	0.45	—	—
1978	0.41	—	—
1977	0.32	—	4-for-3

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 62,209,520	$ 15.69
1980	53,010,740	13.45
1979	46,756,374	11.88
1978	40,574,971	10.33
1977	34,396,156	8.82

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 228,243,662	$ 196,386,441
Interest income	2,207,707	468,165
Other income	1,059,221	497,060
Total income	$ 231,510,590	$ 197,351,666
Cost of sales	173,621,612	151,141,715
Expenses	34,083,300	27,720,021
Interest expense	2,687,369	3,204,543
Income before taxes	$ 21,118,309	$ 15,285,387
Income taxes	10,089,679	7,134,368
Net Income	$ 11,028,630	$ 8,151,019

* Included in Costs and Expenses, Depreciation and Amortization: $3,765,918 in 1981 and $3,884,068 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 21,793,990	$ 2,941,489
Accts. receiv., net	60,951,885	59,818,862
*Inventories & costs of contracts	22,814,720	22,075,385
Deferred income taxes	—	224,365
Prepaid expenses	724,459	701,846
Current Assets	$ 106,285,054	$ 85,761,947
#Fixed assets	24,830,769	22,163,288
Other assets	2,229,044	2,524,186
Total Assets	$ 133,344,867	$ 110,449,421

Liabilities

	1981	1980
Long-term debt, curr.	$ 89,880	$ 418,378
Accts. payable	16,041,813	12,668,390
Accrued payroll	6,416,452	5,575,148
Income taxes	6,728,535	13,434
Deferred inc. taxes	4,023,630	—
Other liab.	2,760,675	1,087,206
Curr. Liabilities	$ 36,060,985	$ 19,762,556
Long-term debt	27,540,398	27,570,576
Deferred inc. taxes	7,049,858	10,105,549
Deferred comp.	484,106	—
+Common stock	233,698	232,401
Add. paid-in capital	12,156,551	12,010,637
Retained earnings	49,819,271	40,767,702
Total Liabilities & Shareholders' Equity	$ 133,344,867	$ 110,449,421

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	9.25	7.78
%Net Income to Sales	4.83	4.15
%Net Income to Equity	17.73	15.38
Working Capital	$70,224,069	$65,999,391
Current Ra:io	2.95	4.34
Shareholders' Equity	$62,209,520	$53,010,740

Curtiss-Wright Corporation

One Passaic Stret
Wood-Ridge, New Jersey 07075
(201) 777-2900

Officers: T. Ronald Berner, chairman and president; Charles E. Ehinger, Richard P. Sprigle, executive v.p.'s; David Lasky, sr. v.p. and general counsel; Morris A. Crausman, William T. Figart, Arnold F. Kossar, Gerald Nachman, John J. Rooney, v.p.'s; Francis E. Fallon, secretary; Martin A. Sherry, treasurer; John F. Staubach, controller.

Directors: T. Ronald Berner, chairman; S.D. Brinsfield, John S. Bull, Edward McSweeney, John B. Morris, William F. Raborn, Jr., Lloyd H. Smith, Dr. Jesse Werner, Edward E. White.

Areas of Work: Produces actuation and control devices for aerospace applications. Also produces electrical generating equipment for electric utilities. Other lines of business include: metal treating, air compressors, precision spring clutches, manual impact wrenches, seamless alloy pipe, safety relief valves, custom extruded shapes, jet engine parts, and servicing of gas generators, power turbines, and jet engines.

Subsidiaries:

Marquette Metal Products Company
400 South Main Street
Fountain Inn, South Carolina 29644

Metal Improvement Company
10 Forest Avenue
Paramus, New Jersey 07652

Target Rock Corporation
1966 East Broadhollow Road
East Farmingdale, New York 11735

Canadian Curtiss-Wright, Ltd. (66% owned)
1815 Sismet Road
Mississauga, Ontario L4W 1P9
Canada

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York, 10015

Commercial Trust Company of New Jersey
15 Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): New York

Ticker Symbol: CW

Sales and Earnings

	Net Sales	Net Income
1980	$185,539,000	$ 39,746,000
1979	170,362,000	33,771,000
1978	167,954,000	17,547,000
1977	166,644,000	16,299,000
1976	191,838,000	19,078,000

	No. of Com. Share †	Earn. per Share †
1980	8,270,000	$4.75
1979	8,216,000	4.05
1978	8,263,000	2.06
1977	8,295,000	1.91
1976	8,391,000	2.21

† Based on the weighted average number of common shares outstanding during each year.

Revenues By Line of Business
(000's)

	1980	1979
Elec. generating Equip.	$ 38,900	$ 35,700
Industrial prods.	35,600	32,600
Nuclear	39,000	48,400
Aerospace	72,800	54,500

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.95	—	—
1979	0.80	—	—
1978	0.75	—	—
1977	0.60	—	—
1976	0.55	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1980	$280,839,000	$33.96
1979	248,488,000	30.24

‡ After allowing for Class A Stock at stated value.
† Based on the weighted average number of common shares outstanding during each year.

Income Account *
(000's)

Year ended Dec.31	1980	1979
Net sales	$ 185,539	$ 170,362
Eq.in earnings of assoc. cos.	26,244	24,122
Other income	16,686	7,626
Total revenues	$ 228,469	$ 202,110
Cost of sales & expenses:		
Prod. & eng.	135,960	128,143
Sell. & serv.	5,364	5,215
Adm. & gen.	28,056	20,368
Interest	8,575	8,177
Income before taxes	$ 50,514	$ 40,207
Income taxes	10,768	6,436
Net Income	$ 39,746	$ 33,771

* Included in Costs and Expenses, Depreciation: $4,750,000 in 1980 and $4,185,000 in 1979.

Assets
(000's)

As of Dec.31	1980	1979
Cash	$ 2,607	$ 2,077
Time deposits	28,199	4,173
Marketable securities	6,362	9,421
Accts. receiv., net	28,372	42,234
Unbilled charges	8,153	15,990
*Inventories	45,431	47,813
Other curr. assets	1,930	1,119
Current Assets	$ 121,054	$ 122,827
Investments in assoc.cos.	221,733	203,255
# Fixed assets	42,442	36,591
Other assets	19,967	16,643
Total Assets	$ 405,196	$ 379,316

Liabilities
(000's)

	1980	1979
Notes payable	$ 5,922	$ 18,550
Accts. payable	8,458	8,857
Accrued comp.	5,035	5,045
Accruals	11,156	8,047
Income taxes	9,729	6,135
Advances & billings in exc. of cost	3,407	1,135
Other curr. liab.	6,815	7,539
Curr. Liabilities	$ 50,522	$ 55,308
Long-term debt	65,051	67,205
Deferred inc. taxes	6,467	6,083
Minority int.in subsid.	2,049	1,910
+ Class A stock	268	322
+ Common stock	9,824	9,755
Add. paid-in capital	60,133	59,813
Retained earnings	250,616	219,189
Treasury	(39,734)	(40,269)
Total liabilities & Shareholders' Equity	$ 405,196	$ 379,316

Statistical Summary

% Income bef. Taxes to Revenues	22.11	19.89
% Net Income to Revenues	17.40	16.71
% Net Income to Equity	14.14	13.57
Working capital	$ 70,532,000	$ 67,519,000
Current Ratio	2.40	2.22
Shareholders' Equity	$281,107,000	$248,810,000

Cushman Electronics, Inc.

4500 Campus Drive
Newport Beach, California 92660
(714) 540-6655

Officers: John F. Bishop, chairman of the board; Mark K. Howlett, vice chairman of the board; Joseph F. Swyt, president; Diane M. Maijala, v.p.-human resources; Henry A. Doust, v.p.-manufacturing; Hans D. Sylten, v.p.-product development; Jeffrey S. Cozens, chief financial officer; Leigh S. Belden, v.p.-product mgt.; John Cardoza, director-quality assurance; E.M. Thompson, v.p.-sales; Hugh R. McDonald, secretary.

Directors: John F. Bishop, chairman of the board; J. Bradford Bishop, Burgess Dempster, Mark K. Howlett, Robert D. Johnson.

Areas of Work: Manufactures FM two-way radio test and maintenance equipment, telephone test instruments, and telephone transmission equipment.

Cushman Electronics, Inc.

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUSH (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 19,401,000	$ 753,000
1980	16,021,000	585,000
1979	13,910,000	449,000
1978	12,318,000	685,000
1977	11,517,000	650,000

	No. of Com. Shares	Earn. per Share †
1981	1,069,000	$ 0.70
1980	1,069,000	0.55
1979	1,069,000	0.42
1978	1,079,412	0.63
1977	1,079,412	0.60

† Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,829,000	$ 4.52
1980	4,183,000	3.91
1979	3,683,000	3.45
1978	3,174,000	2.94
1977	2,489,000	2.31

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 19,401,000	$ 16,021,000
Cost of sales	9,891,000	8,591,000
Expenses	8,067,000	6,222,000
Interest expense	170,000	126,000
Income before taxes	$ 1,273,000	$ 1,082,000
Income taxes	520,000	497,000
Net Income	$ 753,000	$ 585,000

*Included in Costs and Expenses, Depreciation and Amortization: $444,000 in 1981 and $340,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 195,000	$ 278,000
Accts. receiv., net	3,505,000	2,534,000
*Inventories	3,907,000	3,440,000
Prepaid expenses	90,000	52,000
Prepaid income taxes	460,000	359,000
Current Assets	$ 8,157,000	$ 6,663,000
Notes receivable	350,000	348,000
#Fixed assets	1,405,000	771,000
Other assets	245,000	228,000
Total Assets	$ 10,157,000	$ 8,010,000

Liabilities

Short-term debt	$ 1,750,000	$ 975,000
Accts. payable	1,386,000	1,048,000
Accruals	1,937,000	1,730,000
Est. income taxes	147,000	27,000
Curr. Liabilities	$ 5,220,000	$ 3,780,000
Deferred income taxes	108,000	47,000
+Common stock	1,182,000	1,182,000
Retained earnings	3,647,000	3,001,000
Total Liabilities & Shareholders' Equity	$ 10,157,000	$ 8,010,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.56	6.75
%Net Income to Sales	3.88	3.65
%Net Income to Equity	15.59	13.99
Sales to Inventories	4.97	4.66
Working Capital	$2,937,000	$2,883,000
Current Ratio	1.56	1.76
Shareholders' Equity	$4,829,000	$4,183,000

The Cyclotron Corporation

950 Gilman Street
Berkeley,California 94710
(415) 524-8670

Officers: Lowell H. Carlson, president & chairman of the board; George O. Hendry, Robert W. Hamm, v.p.'s; Carl W. Magnuson, controller; James A. Tanner, v.p. & secretary; Charles B. Weitzenberg, v.p.-operations.

Directors: Lowell H. Carlson, W. Gould Jones, Richard L. Karrenbrock, Richard R. Tavernetti, Walter F. Pettit, Ian S. Wishart.

Areas of Work: Manufactures and sells compact cyclotrons which provide beams of charged particles for use in nuclear medicine, neutron radiotheraphy, physics research, and nuclear chemistry. Also manufactures a nuclear magnetic resonance gaussmeter for extremely accurate measurements of magnetic fields and whole body radioisotope scanners.

Transfer Agent(s):

Bank of America NT & SA
World Headquarters Building
555 California Street
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CYCC (NASDAQ)

Number of Employees:

1981	180	1979	165
1980	165	1978	99

Plant Footage:

1981	58,000 sq. ft.	1979	58,000
1980	58,000	1978	58,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,784,356	$ (4,984,814)
1980	10,097,080	856,716
1979	8,087,308	957,568
1978	6,153,072	640,749
1977	3,399,357	281,239

	No. of Com. Shares †	Earn. per Share ‡
1981	1,457,612	$ —
1980	1,170,062	0.72
1979	1,156,830	0.80
1978	1,138,968	0.55
1977	1,111,568	0.25

(Loss)
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,468,894	$ 2.38
1980	4,611,620	3.94
1979	3,658,500	3.16
1978	2,663,725	2.34
1977	1,978,727	1.78

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales & revenues	$ 3,784,356	$ 10,097,080
Cost of sales & revenues	7,252,380	6,938,679
Expenses	2,263,264	1,823,246
Interest expense	141,526	56,439
Income (loss) before taxes	$ (4,096,814)	$ 1,278,716
Income taxes (credit)	(888,000)	422,000
Net Income (Loss)	$ (4,984,814)	$ 856,716

* Included in Costs and Expenses, Depreciation: $214,520 in 1981 and $157,880 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 107,023	$ 74,723
Accts. receiv., net	1,064,215	627,744
Refundable inc. taxes	695,000	—
Contracts	2,328,175	3,939,048
*Inventories	499,353	334,183
Prepaid expenses	77,867	163,659
Lease receivable-curr.	122,000	93,000
Current Assets	$ 4,893,633	$ 5,232,357
#Fixed assets	2,861,366	2,698,131
Lease receivable	1,011,998	1,106,331
Investments	286,363	546,530
Defer. charges & other assets	287,211	177,772
Total Assets	$ 9,340,571	$ 9,761,121

Liabilities

Long-term debt, curr.	$ 154,500	$ 104,979
Accts. payable	1,477,718	1,755,683
Notes payable	1,450,000	525,000
Accruals	675,712	630,887
Billing in excess of costs	772,784	521,779
Income taxes	-	90,841
Curr. Liabilities	$ 4,530,714	$ 3,629,169
Long-term debt	185,200	199,701
Deferred inc. taxes	42,494	222,300
Lease obligation	1,113,269	1,098,331
+Common stock	1,373,006	1,097,835
Add. paid-in capital	4,110,987	544,070
Retained earnings	(2,015,099)	2,969,715
Total Liabilities & Shareholders' Equity	$ 9,340,571	$ 9,761,121

* At lower of cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income before Taxes to Sales & Revenues	—	12.66
%Net Income to Sales & Revenues	—	8.48
%Net Income to Equity	—	18.58
Working Capital	$ 362,919	$1,603,188
Current Ratio	1.08	1.44
Shareholders' Equity	$3,468,894	$4,611,620

Daedalus Enterprises, Inc.

P.O. Box 1869
Ann Arbor, Michigan 48106
(313) 769-5649

Officers: Paul R. Trigg, Jr., chairman of the board; Alan K. Parker, president; Thomas Casoglos, vice president-finance, secretary & treasurer; Ford L. Wright, v.p.-engineering; Thomas R. Ory, v.p.-marketing.

Directors: Paul R. Trigg, Jr., chairman; Alan K. Parker, Hansford W. Farris, Thomas Casoglos, Eugene B. Power, John F. Towson.

Areas of Work: Manufactures remote sensing devices. The principal products are scanner systems which are installed in aircraft for acquisition of remote sensing data. This data is subsequently processed on the ground by the company's data handling equipment. The information derived from the airborne sensor and processed by the ground stations is used for monitoring and measuring water pollution; for oil, mineral and geothermal exploration; for heat budget and energy loss studies; and for the evaluation of other environmental quality related problems.

Transfer Agent(s):

Michigan National Bank
Grand Rapids, Michigan

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,761,964	$ 46,882
1980	1,646,182	(64,744)
1979	2,502,513	186,834
1978	3,530,249	430,069
1977	2,206,715	170,946

	No. of Com. Shares	Earn. Per Share ‡
1981	507,209	$ 0.09
1980	506,984	—
1979	504,984	0.37
1978	502,484	0.86
1977	501,984	0.34

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$—	—	—
1980	0.08	—	—
1979	0.15	—	—
1978	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,914,509	$ 3.77
1980	1,867,120	3.68
1979	1,967,923	3.90
1978	1,851,016	3.68
1977	1,480,105	2.95

Income Account *

Year ended July 31	1981	1980
Net sales	$ 2,761,964	$ 1,646,182
Interest income	27,451	—
Total income	$ 2,789,415	$ 1,646,182
Cost of sales	1,182,255	844,384
Expenses	1,279,757	938,750
Interest expense	309,121	5,792
Income (loss) before taxes	$ 18,282	$ (142,744)
Income credit	28,600	78,000
Net Income (Loss)	$ 46,882	$ (64,744)

*Included in Costs and Expenses, Depreciation: $90,004 in 1981 and $63,101 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 81,389	$ 121,709
Marketable securities	249,000	—
Accts. receiv., net	101,233	406,612
Unbilled accts. receiv.	1,083,547	—
*Inventories	1,114,563	1,337,700
Income tax refund	109,373	—
Other curr. assets	13,191	12,216
Current Assets	$ 2,752,296	$ 1,878,237
#Fixed assets	1,570,976	1,601,061
Other assets	6,505	4,718
Total Assets	$ 4,329,777	$ 3,484,016

Liabilities

	1981	1980
Notes payable	$ 400,000	$ 150,000
Long-term debt, curr.	5,000	7,200
Accts. payable	315,685	176,087
Customer deposits	300,000	—
Accruals	96,176	41,519
Accrued payroll	121,904	118,491
Income taxes	104,139	155,798
Deferred income taxes	72,000	—
Curr. Liabilities	$ 1,414,904	$ 649,095
Long-term debt	966,364	948,801
Deferred income taxes	34,000	19,000
+Common stock	5,072	5,069
Add. paid-in capital	863,431	862,927
Retained earnings	1,046,006	999,124
Total Liabilities & Shareholders' Equity	$ 4,329,777	$ 3,484,016

*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	0.66	—
%Net Income to Sales	1.70	—
%Net Income to Equity	2.45	—
Sales to Inventories	2.48	1.23
Working Capital	$2,914,873	$1,229,142
Current Ratio	1.95	2.89
Shareholders' Equity	$1,337,392	$1,867,120

Dale Electronics, Inc.

(55% owned by The Lionel Corporation)

P.O. Box 609
Columbus, Nebraska 68601
(402) 563-6221

Officers: Ronald D. Saypol, chairman of the board; Carrol Novicki, president & chief executive officer; Richard R Schilling, Jr., v.p. & chairman of the exec. committee; Kenneth W. Moersen, v.p.-finance, treasurer & chief financial officer; James J. Holmberg, v.p.-legal; Charles N. Stinson, William L. Gaines, Floyd E. Mason, division v.p.'s; Robert E. Emerson, controller & chief accounting officer.

Directors: Leo P. Arnaboldi, Kenneth W. Moersen*, Carrol L. Novicki*, Wilbur L. Ross, Jr., Robert S. Rawitch, Ronald D. Saypol*, Richard R. Schilling, Jr.*

* Member of the Executive Committee.

Areas of Work: Manufactures resistive components, microcircuits, inductors, oscillators, transformers, and connectors.

Subsidiaries:

Dale Electronics Ltd.
Dale Electronics International, Inc.
Dale Electronics GmbH
Electronica Dale de Mexico S.A. de C.V.

Transfer Agent(s):

First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07303

Stock Exchange(s): American

Ticker Symbol: DLE

Sales and Earnings

	Net Sales	Net Income
1981	$ 77,422,539	$ 4,653,994
1980	75,025,279	4,580,962
1979	66,242,431	3,937,707
1978	54,814,756	3,393,085
1977	44,720,303	2,839,313

	No. of Com. Shares	Earn. per Share #
1981	3,600,000	$ 1.29
1980	3,600,000	1.27
1979	3,600,000	1.09
1978	3,600,000	0.94
1977	3,600,000	0.79

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,495,704‡	$ 0.97
1980	36,523,765	10.15
1979	31,942,803	8.87
1978	28,005,096	7.78
1977	24,612,011	6.84

‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 77,422,539	$ 75,025,279
Cost of sales	55,293,569	53,834,598
Expenses	11,729,435	11,398,668
Interest expense (income)	133,837	(290,704)
Management fee to Lionel	1,738,725	1,798,865
Income before taxes	$ 8,526,973	$ 8,283,852
Income taxes	3,872,979	3,702,890
Net Income	$ 4,653,994	$ 4,580,962

* Included in Costs and Expenses, Depreciation and Amortization: $2,595,101 in 1981 and $2,131,444 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & short-term invest.	$ [illegible]592,367	$ 2,587,255
Receiv., net	11,365,723	10,321,622
*Inventories	13,150,325	12,740,474
Prepaid expenses	365,926	190,197
Due from Lionel	—	1,366,227
Current Assets	$ 29,474,341	$ 27,205,775
#Fixed assets	19,571,070	15,895,699
Construc. funds held in trust	2,513,132	5,319,988
Other assets	769,277	660,987
Total Assets	$ 52,327,820	$ 49,082,449

Liabilities

	1981	1980
Long-term debt, curr.	$ 100,673	$ 92,701
Accts. payable	1,864,151	1,708,574
Accruals	598,689	643,325
Accrued payroll	1,640,142	1,509,748
Income & other taxes	1,054,622	1,182,149
Due to Lionel	677,686	—

Curr. Liabilities	$ 5,935,963	$ 5,136,497
Long-term debt	13,842,004	455,139
Oblig. under cap. leases	6,000,000	6,000,000
Deferred inc. taxes	1,357,149	967,048
Other deferred liab.	197,000	—
+Preferred stock	21,500,000	—
++Common stock	145,000	10,000
Add. paid-in capital	192,855	327,855
Retained earnings	3,157,849	36,185,910
Total Liabilities & Shareholders' Equity	$ 52,327,820	$ 49,082,449

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.01	11.04
%Net Income to Sales	6.01	6.11
%Net Income to Equity	18.62	12.54
Sales to Inventories	5.89	5.89
Working Capital	$23,538,378	$22,069,278
Current Ratio	4.97	5.30
Shareholders' Equity	$24,995,704	$36,523,765

Damon Corporation

115 Fourth Avenue
Needham Heights, Massachusetts 02194
(617) 449-0800

Officers: David I. Kosowsky, president; Allan B. Beitchman, sr. v.p.; Robert P. Schneider, Jr., sr. v.p.-medical services; Edward B. Lurier, sr. v.p.-products; Vernon F. Sherman, Jr., v.p. & treasurer; Frank J. Angiulo, Daniel R. Cotte, Paul J. Vasington, James L. Dorsey, Leonard Fuhrer, D. Joseph Powell, v.p.'s; David L. Steele, v.p. & controller; Jay H. Meltzer, v.p., general counsel & secretary.

Directors: David I. Kosowsky, Allan B. Beitchman, Peter A. Brooke, Charles C. Cunningham, Jr., Charles L. Lea, Jr., Jerome B. Wiesner, Edward B. Lurier, Irving M. London.

Areas of Work: Through its International Equipment Company subsidiary, the company is engaged in the production of micro-processor-controlled laboratory centrifuges, microtome cyrostats and centrifuge accessories. These products are primarily used in the fields of biomedical research and testing. The electronics division manufactures crystal filters and high quality crystal oscillators for radar missile systems, radar fire control systems and navigation and communications equipment.

Electronics Divisions:

Damon Electronics Division
80 Wilson Way
Westwood, Massachusetts 02090

IEC Division

Damon-International Equipment Co.
300 Second Avenue
Needham Heights, Massachusetts 02194

Transfer Agent(s):

The First National Bank of Bostor
One Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, London

Ticker Symbol: DMN

Sales and Earnings

	Net Sales ‡ +	Net Income †	No. of Com. Shares #	Earn. Per Shares †
1981	$ 145,669,688	$ 114,070	6,505,000	$ 0.02
1980	137,434,404	2,521,615	6,463,000	0.39
1979	130,891,771	519,353	6,505,000	0.08
1978	131,895,850	218,563	6,682,000	0.03
1977	130,182,490	(1,640,259)	6,806,000	—

(Loss)
‡ Includes sales of services and products.
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.
† Including extraordinary income of $211,609 ($0.03 per share) in 1980.

Revenue By Line of Business

	1981	1980	1979	1978
Medical services	51%	52%	51%	58%
Medical instrumentation	18	17	15	14
Veterinary products	13	14	14	13
Hobby & educational products	18	17	20	15
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.20	—	—
1979	0.20	—	—
1978	0.20	—	—
1977	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 54,379,490	$ 8.28
1980	54,981,534	8.52
1979	53,948,790	8.30
1978	55,516,665	8.31
1977	57,653,010	8.47

Income Account *

Year ended Aug. 31	1981	1980
Net sales of serv. & prods.	$ 145,669,688	$ 137,434,404
Cost of sales	96,361,471	89,504,548
Expenses	43,417,983	38,813,137
Prov. for doubtful accts.	2,243,748	2,302,551
Res. & develop. exp.	2,775,558	2,446,674
Interest expense	1,793,158	799,488
Income (loss) before taxes	$ (922,230)	$ 3,568,006
Income taxes (credit)	(907,000)	1,258,000
Income (loss)-cont. oper.	$ (15,230)	$ 2,310,006
Income-discont. oper.	129,300	—
Net Income	$ 114,070	$ 2,310,006
Extraord. gain	—	211,609
Net Income & Extraord. Gain	$ 114,070	$ 2,521,615

* Included in Costs and Expenses, Depreciation and Amortization: $5,684,562 in 1981 and $5,024,418 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 5,523,572	$ 4,121,350
Marketable securities	5,321,224	6,826,017
Accts. receiv., net	30,133,570	26,330,776
*Inventories	23,190,792	24,370,882
Prepaid expenses	1,911,069	1,898,338
Current Assets	$ 66,080,227	$ 63,547,363
#Fixed assets	38,539,468	36,519,708
Other assets	1,156,516	1,031,817
Intangibles	6,681,362	6,508,774
Total Assets	$ 112,457,573	$ 107,607,662

Liabilities

Notes payable & long-term debt, curr.	$ 1,785,387	$ 1,743,170
Accts. payable	6,728,654	5,736,504
Accruals	9,170,369	10,205,769
Dividends payable	327,979	321,969
Income taxes	851,306	4,037,337
Curr. Liabilities	$ 18,863,695	$ 22,044,749
Mortg. & notes payable	17,449,687	9,617,115
Conv. subord. 5¼% deben.	16,153,000	16,153,000
Long-term debt	3,744,178	3,333,287
Deferred inc. taxes	1,867,523	1,477,977
+Common stock	1,641,857	1,613,800
Add. paid-in capital	12,050,324	11,492,491
Retained earnings	40,687,309	41,875,243
Total Liabilities & Shareholders' Equity	$ 112,457,573	$ 107,607,662

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.61
%Net Income to Sales	—	1.68
%Net Income to Equity	0.21	4.20
Working Capital	$47,216,532	$41,502,614
Current Ratio	3.50	2.88
Shareholders' Equity	$54,379,490	$54,981,534

Daniel Industries, Inc.

One Riverway Drive, Suite 2200
P.O. Box 19097
Houston, Texas 77024
(713) 960-1300

Officers: W.A. Griffin, chairman of the board & president; E. E. Lowe, Ralph H. Clemons, Jr., Robert E. Harris, Jr., Rex W. Landry, v.p.'s; H.D. Morrison, Jr., secretary-treasurer; W.C. Clingman, v.p.-information services; Louis F. Crane, v.p.-finance, Michael R. Yellin, asst. secretary & asst. treasurer.

Directors: W.A. Griffin, William C. Morris, Dr. James M. Sharp, Howard Wolf, James R. Moffett, Joseph L. Parrish, James R. Whatley, Rex W. Landry, Ralph H. Clemons, Jr., E.E. Lowe.

Areas of Work: Engaged in the manufacture, sale and servicing of orifice fittings, turbine meters, meter tubes, valves and related mechanical and electronic products for the measurement and control of fluid flows (liquid and gases), and in the engineering and fabrication of integrated metering systems. Also manufactures and markets alloy stud bolts, and manufactures and sells water handling equipment including pumps, tanks and plastic pipe.

Divisions and Subsidiaries:

Systems Engineering Division
9525 Katy Road, Suite 450
Houston, Texas 77024
(713) 467-1690

Bolt and Nut Division
P.O. Box 292
Houston, Texas 77001
(713) 224-5811

Pump and Equipment Division
P.O. Box 21186
Houston, Texas 77026
(713) 695-5871

Instrumentation Services Division
9424 Emnora
Houston, Texas 77080
(713) 461-9806

Daniel Industries Limited
Lochlands Industrial Estates
Larbert-Stirlingshire FK5 3NS
Falkirk, Scotland

M & J Valve Division
Houston, Texas
Maufacturer of large, fabricated gate valves used on both gas and liquid pipelies and high-pressure industrial processing systems.

Production Specialties Division
Manufacturing and marketing of gas lift equipment and wireline tools used by oil producers in secondary crude oil recovery operations.

Flow Products Division
Produces equipment for accurately measuring gas and crude oil.

Daniel Geophysical, Inc.
Denver, Colorado

Transfer Agent(s):

The Chase Manhattan Bank N.A.
New York, New York

Bank of the Southwest N.A.
Houston, Texas

Stock Exchange(s): New York

Ticker Symbol: DAN

Sales and Earnings

	Net Sales	Net Income
1981	$ 186,629,000	$ 14,890,000
1980	162,936,000	9,837,000
1979	125,156,000	7,503,000
1978	99,023,000	6,433,000
1977	72,390,000	5,644,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	8,240,000	$ 1.81
1980	7,417,000	1.33
1979	7,132,000	1.05
1978	7,097,000	0.91
1977	7,081,000	0.80

# Restated to include operations of companies acquired on a pooling of interests basis.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Fluid measurement prods. & systems	$ 117,442	$ 102,265
Stud bolts & nuts	19,586	16,736
Pipeline valves	22,375	26,041
Geophysical services	14,428	6,301
Other	12,798	11,593
Total	$ 186,629	$ 162,936

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.16	—	2-for-1
1980	0.14	5%	—
1979	0.11	5%	—
1978	0.09	15%	—
1977	0.07	15%	—

‡ Adjusted to reflect stock dividends and stock split.

Common Stock Equity #

	Total Equity	Equity Per Share ‡
1981	$ 85,750,000	$ 10.40
1980	71,104,000	8.66
1979	44,750,000	6.33
1978	38,958,000	5.48
1977	33,080,000	4.67

# Restated.
‡ Adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Sept. 30	1981	1980 ‡
Net sales	$ 185,340	$ 162,020
Other income	1,289	916
Net revenues	$ 186,629	$ 162,936
Cost of sales	111,147	103,619
Expenses	46,821	37,850
Prof. sh. plan & pension trusts	2,634	2,485
Interest expense	2,281	3,145
Income before taxes	$ 23,746	$ 15,837
Income taxes	8,856	6,000
Net Income	$ 14,890	$ 9,837

* Included in Costs and Expenses, Depreciation: $4,443,000 in 1981 and $3,781,000 in 1980.
‡ Restated.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 2,654	$ 1,896
Investments	2,245	12,797
Accts. receiv., net	45,120	23,365
Other receiv.	782	977
Costs & earnings in excess of billings	5,387	11,632
*Inventories	39,901	35,684
Other assets	306	351
Current Assets	$ 96,395	$ 86,702
#Fixed assets	52,084	34,110
Other assets	1,433	953
Intangibles	2,338	2,539
Total Assets	$ 152,250	$ 124,304

Liabilities
(000's)

	1981	1980
Notes payable	$ 3,151	$ 1,933
Accts. payable	20,643	11,646
Accrued payroll	2,850	2,185
Accrued profit sharing contribution	2,683	2,478
Other accruals	5,298	4,355
Income taxes	4,813	1,208
Billings in excess of est. earnings	246	—
Deferred inc. taxes	1,738	2,215
Curr. Liabilities	$ 41,422	$ 26,020
Long-term debt	20,960	24,450
Minority interest	28	25
Deferred inc. taxes	4,090	2,705
+Common stock	10,459	10,368
Add. paid-in capital	45,034	44,319
Retained earnings	31,192	17,352
Treasury stock	(935)	(935)
Total Liabilities & Shareholders' Equity	$ 152,250	$ 124,304

‡ Restated.
* Domestic inventories at LIFO; foreign inventories at average cost.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.72	9.72
%Net Income to Revenues	7.98	6.04
%Net Income to Equity	17.36	13.83
Working Capital	$54,973,000	$60,682,000
Current Ratio	2.33	3.33
Shareholders' Equity	$85,750,000	$71,104,000

Data Access Systems, Inc.

Cole Road & Camden Avenue
P.O. Box 1230
Blackwood, New Jersey 08012
(609) 228-0700

Officers: Gerald R. Cicconi, chairman of the board, president, & chief executive officer; Howard B. Crystal, group v.p.- marketing; Michael J. Haggerty, v.p.- administration; Benedict H. Paratore, exec. v.p. - operations; James T. Simpson, v.p. - finance, chief financial officer, & secretary-treasurer; Forrest J. Robinson. regional v.p. - Central Region; Michael F. Schrider, regional v.p. - Eastern Region; John Schlagel, v.p. - field services; Robert Turmala, regional v.p. - Western Region; Paul J. Scott, v.p. - mfg.; Jan Valvo, asst. v.p.- personnel; Mark W. Goldman, v.p.- wholesale division; Wayne P. Henry, controller.

Directors: Gerald R. Cicconi, chairman; Robert T. Coppoletta, Philip Hartley, Robert B. Franklin, Paul Matzko, Frank Lockwood.

Areas of Work: Markets a variety of computer-oriented communication terminal systems for data transmission over ordinary telephone lines for remote access to other systems and computers.

Divisions:

Authorized Terminal Dealer Division
Provides wholesale distribution of the company's products.

Subsidiaries:

Data Leasing Systems, Inc.
Environmental Electromagnetic Shielding Corporation

International Computer Equipment Company
Computer terminal supplier.

Met-Fab Corporation
Pennsauken, New Jersey
Manufactures computer related metal fabricated products.

Transfer Agent(s):

National State Bank
P.O. Box 1560
Elizabeth, New Jersey 07207

Stock Exchange(s): American

Ticker Symbol: DAC

Number of Employees:

1980	200	1978	200
1979	200		

Plant Footage:

1980 . . . . . . 63,000 sq.ft.

Sales and Earnings

	Net Sales †	Net Income ‡
1980	$ 37,241,676	$ 5,148,355
1979	28,153,475	3,414,573
1978	16,100,945	1,116,770
1977	6,601,100	690,538
1976	4,503,773	608,830

	No. of Com. Shares	Earn. per Share #‡
1980	2,712,061	$1.82
1979	2,439,687	1.25
1978	2,001,380	1.21
1977	679,130	0.70
1976	679,130	0.81

† Of continuing operations only.
‡ Including extraordinary gain of $357,275 ($0.13 per share) in 1980.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	10%	—

Data Access Systems, Inc.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 20,615,208	$7.60
1979	15,314,790	6.28
1978	7,625,506	3.91
1977	3,004,346	4.42
1976	2,286,102	3.37

Income Account *

Year ended Aug. 31	1980	1979
Net sales	$ 37,241,676	$ 28,153,475
Cost of sales	21,954,099	16,632,700
Expenses	7,921,268	6,030,720
Long-term capital gain	(838,383)	—
Interest expense	1,178,528	956,578
Income before taxes	$ 7,026,164	$ 4,533,468
Income taxes	2,441,700	1,445,300
Extraordinary gain	(357,275)	—
Minority interest	(206,616)	(326,405)
Net Income & Extraord. Gain	$ 5,148,355	$ 3,414,573

Assets

As of Aug. 31	1980	1979
Cash	$ 1,774,572	$ 3,437,094
Accts. receiv. net.	10,534,421	4,995,930
*Inventories	10,567,036	4,369,345
Other current assets	1,468,201	924,510
Current Assets	$ 24,344,230	$ 13,726,879
# Fixed assets	18,181,575	12,529,455
Other assets	5,485,444	4,584,335
Total Assets	$ 48,011,249	$ 30,840,669

Liabilities

	1980	1979
Notes payable	$ 500,000	$ 1,200,000
Long-term debt. curr.	173,900	144,771
Accts. payable	6,243,587	3,363,822
Accruals	1,364,480	991,403
Income taxes	1,596,260	1,055,719
Deferred income	177,005	392,674
Curr. Liabilities	$ 10,055,232	$ 7,148,389
Long-term debt	16,210,085	7,384,670
Deferred inc. taxes	1,130,724	992,820
+ Common stock	138,950	137,625
Add. paid-in capital	10,161,939	10,488,801
Retained earnings	10,751,573	6,726,164
Treasury stock	(437,254)	(2,037,800)
Total Liabilities & Shareholders' Equity	$ 48,011,249	$ 30,840,669

*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $0.05 per value.

Statistical Summary

	1980	1979
Sales to Inventories	3.52	6.44
Working Capital	$ 14,288,998	$ 6,578,490
Current Ratio	2.42	1.92
Shareholders' Equity	$ 20,615,208	$ 15,314,790

Data Card Corporation

11111 Bren Road West
Minnetonka, Minnesota 55343

Mailing address:

P.O. Box 9335
Minneapolis, Minnesota 55440
(612) 933-1223

Officers: Willis K. Drake, chairman of the board; D.J. Ekberg, vice chairman & chief operating officer; Gary R. Holland, pres. & chief oper. officer; E.P. Erickson, v.p.-communications & public affairs; William T. Price, Sr., v.p.-finance; Robert J. Keyport, v.p.-customer service division; Gene Anderson, v.p.-plastics division; Robert E. Lewis, v.p.-Minneapolis Div.; William N. Sites, treasurer; Kenneth D. Anderson, controller; Derek J. Cowen, asst. treasurer; O.C. Boxall, v.p. & managing director, Data Card International Ltd.; Robert J. Johnson, secretary.

Directors: Willis K. Drake, chairman, D.J. Ekberg, Donald L. Lucas, John Riede, Roger W. Staehle, O.C. Boxall, Eugene Olson, Charles F. West, Joseph I. Rose, James P. McFarland.

Areas of Work: Data Card's line of high technology machines for business and industry includes equipment to emboss and encode plastic credits, debit and other identification cards; specialized magnetic ink character (MICR) printing equipment for the banking, insurance and other financial industries; electronic weighing equipment for business and industrial uses, anu high powered automated laser machining systems for welding, heat treating and cutting in industrial applications.

Divisions and Subsidiaries:

Canadian Data Card Limited
155 University Avenue
Suite 701
Toronto, Ontario, Canada
(416) 862-0379

Data Card (U.K.) Limited
Havant, England

Data Card France S.A.R.I.
Paris, France

Orbitran
Lakeside, California

Data Card de Mexico
Mexico City, Mexico

Data Card GmbH
Frankfurt, Germany

Troy Division
Santa Ana, California

Data Card International Limited
Chichester, England

Data Card Japan, Ltd.
Tokyo, Japan

Plastics Division
Buena Park, California

Transfer Agent(s):

First Trust Company
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DATC (NASDAQ)

Number of Employees:

1981	1,640	1978	1,240
1980	1,633	1977	1,045
1979	1,310		

Sales and Earnings +

	Revenues ‡	Net Income
1982	$ 71,140,000	$ (1,749,000)
1981	72,181,000	5,747,000
1980	61,882,000	7,014,000
1979*	44,415,000	4,091,000
1978	33,804,000	2,387,000

	No. of Com. Shares #	Earn. per Share †
1982	6,145,601	$ —
1981	6,129,161	1.00
1980	5,438,970	1.41
1979	4,875,615	0.90

(Loss)
* 53 weeks.
+ Restated to include operations of companies acquired on a pooling of interest basis.
‡ Of continuing operations only.
# Adjusted to reflect stock split.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.24	—	—
1981	0.22	—	3-for-2 +
1980	0.14	—	—
1979	0.093	—	—
1978	0.083	—	—

+ In the form of a stock dividend.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1982	$ 36,555,000	$ 5.95
1981	41,825,000	6.82
1980	34,220,000	6.29
1979	21,422,000	4.39

† Restated.
‡ Adjusted to reflect stock split.

Income Account *

Year ended	3/27/82	3/28/81‡
Revenues	$ 71,139,778	$ 72,180,691
Cost of sales, services & rentals	44,923,854	45,420,782
Expenses	16,760,097	14,474,212
Product devel. costs	4,685,877	3,517,909
Interest expense	614,645	753,317
Interest income	(1,583,522)	(1,230,485)
Income before taxes	$ 5,738,827	$ 9,244,956
Income taxes	2,142,000	3,368,000
Inc.-cont. oper.	$ 3,596,827	$ 5,876,956
Loss-discont. oper.	(5,345,404)	(129,523)
Net Income (Loss)	$ (1,748,577)	$ 5,747,433

† Restated
* Included in Costs and Expenses, Depreciation: $2,197,021 in 1981 and $1,497,822 in 1980.

Assets

As of	3/27/82	3/28/81‡
Cash	$ 2,122,923	$ 1,147,957
Marketable securities	2,657,300	3,868,960
Accts. receiv. net	14,175,613	15,695,718
Net investment	2,964,453	2,220,813
*Inventories	18,929,130	19,782,081
Prepaid expenses	566,145	420,951
Current Assets	$ 41,415,564	$ 43,136,480
Investment	6,206,537	5,684,599
#Fixed assets	14,106,781	13,704,742
Other assets	709,487	431,882
Total Assets	$ 62,438,369	$ 62,957,703

Liabilities

	3/27/82	3/28/81‡
Notes payable	$ 1,222,554	$ 292,727
Long-term debt. curr.	199,913	224,647
Accts. payable	5,662,981	4,702,411
Accruals	5,042,013	4,402,622
Cust. deposits	1,944,051	1,787,646
Deferred inc. taxes	674,539	582,180
Income taxes	1,380,119	2,253,056
Res. for discont. oper.	1,077,665	—
Curr. Liabilities	$ 17,203,835	$ 14,245,289
Deferred inc. taxes	2,729,557	2,888,222
Long-term debt	3,710,320	3,999,404
Res. for discont. oper.	2,239,912	—
+Common stock	622,162	613,886
Add paid-in capital	21,903,322	21,598,140
Retained earnings	16,683,955	19,777,738
Eq. adjust.	(1,956,669)	—
Treasury stock	(698,025)	(164,976)
Total Liabilities & Shareholders' Equity	$ 62,438,369	$ 62,957,703

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	—	13.74
Working Capital	$24,211,729	$28,891,191
Current Ratio	2.41	3.03
Shareholders' Equity	$36,554,745	$41,824,788

Data General Corporation

4400 Computer Drive
Westboro, Massachusetts 01580
(617) 366-8911

Officers: Edson D. deCastro, president; Herbert J. Richman, executive v.p.; Robert C. Miller, sr. v.p.-technology; Frederick B. Adler, secretary; James R. Barnes, v.p.-peripherals development; James P. Campbell, v.p.-administration; David L. Chapman, v.p.-manufacturing; Frederick P. Cochrane, v.p.-international manufacturing; Thomas O. Cook, v.p.-field engineering; John H. Crawford, v.p.-small business systems division; Raymond Fortune, v.p.-Europe; Kenneth V. Jaeggi, v.p. & chief financial officer; Frank M. Keaney, v.p.-North American sales; George D. McClelland, treasurer; Michael Schneider, v.p.-technical products division; Rowland H. Thomas, Jr., v.p.-Americas/Far East.

Directors: Edson D. deCastro, Henry Burkhardt III, Herbert J. Richman, Frederick R. Adler, Allan S. Gordon.

Areas of Work: Designs, maufactures and markets a variety of small and medium scale general purpose digital computers, software packages, electro-mechanical peripheral eqipment, electronic controllers and interfaces and related products.

Subsidiaries:

Data General Europe, Inc.
Tour Manhattan
5/6 Place d'Iris
92095 Paris—La Dense II
France

Datagen, Inc.
Data General ApS
Data General Costa Rica, Inc.
Data General Latin America, Inc.
Data General New Zealand Limited
Data General OY
Data General Philippines, Inc.
Data General (Canada) Limited
Datagen Investment Trust
Data General Commercial System, Inc.
Data General International Sales Corporation
Data General Investment Corporation
Data General Limited (United Kingdom)
Data General GmbH (Germany)
Data General Computers Gesellschaft M.B.H. (Austria)
Data General France SARL
Data General Holland BV
Data General Australia Pty. Ltd.
Data General Sweden AB
Data General Israel, Ltd.
Data General Hong Kong, Ltd.
Data General A.G. (Switzerland)
Data General Europe, Inc.
Data General Ltda. (Brazil)
Data General S.A. (Belgium)
Data General C.A. (Venezuela)
Data General A/S (Denmark)
Data General Thailand Limited
Data General S.P.A. (Italy)
Data General Importing, Ltd. (New Zealand)
WSA Systems and Services, Inc.
Design Data, Inc.
Digital Computer Controls, Inc.
Nippon-Data General Corp.
(50% owned)

Transfer Agent(s):

New England Merchants National Bank
One Washington Mall
Boston, Massachusetts 02106

New England Merchants National Bank
c/o Midwest Stock Clearing Corporation
160 Water Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: DGN

Number of Employees:

1981	14,625	1978	10,830
1980	14,370	1977	8,590
1979	13,380		

Plant Footage:

1981 . . . . . . 3,454,000 sq. ft. 1980 2,834,000

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 736,782,000	$ 50,663,000
1980	653,887,000	54,690,000
1979	507,483,000	49,814,000
1978*	379,948,000	40,281,000
1977	254,687,000	28,579,000

	No. of Com. Shares #	Earn. per Share # ‡
1981	10,595,000	$4.78
1980	10,518,000	5.20
1979	10,340,000	4.82
1978	10,075,000	4.00
1977	9,939,000	2.88

* 53 weeks.
# Based on average number of common shares and common share equivalents outstanding.
‡ Including extraordinary gain of $9,853,000 ($0.93 per share) in 1982.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 382,249,000	$ 36,08
1980	318,574,000	30.29
1979	251,639,000	24.34
1978	191,460,000	19.00
1977	146,080,000	14.70

‡ Based on average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/26/81	9/27/80
Net sales	$ 736,872	$ 653,887
Cost of sales	382,555	328,943
Expenses	272,962	218,154
Other income	(13,878)	(4,562)
Interest expense	19,683	10,052
Income before taxes	$ 75,550	$ 101,300
Income taxes	34,740	46,610
Net Income	$ 40,810	$ 54,690
Extraordinary gain	9,853	—
Net Income & Extraordinary Gain	$ 50,663	$ 54,690

* Included in Costs and Expenses, Depreciation: $31,945,000 in 1981 and $26,271,000 in 1980.

Assets
(000's)

As of	9/26/81	9/27/80
Cash & temp. cash invest.	$ 66,817	$ 18,110
Marketable secur.	57,098	58,609
Accts. receiv., net	178,834	171,598
*Inventories	265,348	261,496
Deferred inc. taxes	—	2,684
Prepaid expenses	7,643	4,404
Current Assets	$ 575,740	$ 516,901
# Fixed assets	142,857	125,622
Total Assets	$ 718,597	$ 642,523

Liabilities
(000's)

Notes payable	$ 31,080	$ —
Accts. payable	40,768	54,861
Other curr. liab.	33,342	28,357
Accrued payroll	17,277	12,551
Income taxes	6,886	58,915
Deferred income taxes	28,928	—
Curr. Liabilities	$ 158,281	$ 154,684
Long-term debt	144,652	144,699
Deferred inc. taxes	33,415	24,566
+ Common stock	105	102
Add. paid-in capital	101,578	88,569
Retained earnings	280,566	229,903
Total Liabilities & Shareholders' Equity	$ 718,597	$ 642,523

* At lower of cost (FIFO) or market.
+ $0.01 par value.
# Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	10.25	15.49
%Net Income to Sales	5.54	8.36
%Net Income to Equity	12.81	17.17
Sales to Inventories	2.78	2.50
Working Capital	$417,459,000	$362,217,000
Current Ratio	3.64	3.34
Shareholders' Equity	$382,249,000	$318,574,000

Data Terminal Systems, Inc.

(12% owned by Ing. Olivetti & C., S.p.A. of Italy)

124 Acton Street
Maynard, Massachusetts 01754
(617) 897-3221

Officers: Warren C. Tyler, president & chief executive officer; Joseph J. Giordano, sr. v.p.-finance & administration; David M. Carlson, v.p.-market planning & development; David R. Earl, v.p.-materials; John P. Gilday, v.p.-manufacturing; William J. Hallahan, v.p.-World-Wide Sales; William Luke, v.p. & treasurer; James F. MacKenzie, v.p.-distribution development; Robert D. O'Brien, v.p. & controller; Louis G. Ornatti, v.p.-engineering; Marvin W. Schenk, v.p.-planning; James R. Schiller, v.p.-domestic operations; Edward H. Sonn, v.p.-new product development.

Directors: Andrew L. Nichols, chairman; Warren C. Tyler, Robert F. Collings, Thomas M. Claflin, II, Kay K. Clarke, Robert L. Fuller, Elserino Piol.

Areas of Work: Manufactures automated retail terminal systems which have inventory and credit authorization capacity combined with an electronic cash register.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: DTS

Sales and Earnings

	Net Sales	Net Income
1981	$ 122,133,000	$ (10,726)
1980	118,342,000	(2,954)
1979	107,192,000	9,461
1978	69,355,000	13,927
1977	42,693,000	6,737

Data Terminal Systems, Inc.

	No. of Com. Shares †	Earn. per Share †
1981	5,668,000	$ —
1980	5,068,000	—
1979	5,010,000	1.89
1978	4,810,000	2.90
1977	4,672,000	1.44

(Loss)
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	0.15	—	—
1979	0.30	—	—
1978	0.20	—	3-for-1
1977	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 42,052,000	$ 7.19
1980	41,844,000	8.22
1979	44,894,000	8.91
1978	36,079,000	7.23
1977	14,273,000	3.04

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Jan. 31	1982	1981
Net sales	$ 122,133	$ 118,342
Cost of sales	70,423	61,936
Expenses	44,920	43,817
Prov. for doubtful accts.	3,150	1,818
Field engineering	3,368	3,261
Eng., research & develop.	5,787	6,013
Interest expense	8,685	6,667
Interest income	(3,907)	(1,391)
Gain on sale of assets	(2,990)	—
Prov. for non-recurr. costs	4,070	—
Minority interest	—	(98)
Loss before taxes	$ (11,373)	$ (3,681)
Tax credit	(647)	(727)
Net Loss	$ (10,726)	$ (2,954)

* Included in Costs and Expenses, Depreciation and Amortization: $3,860,000 in 1981 and $3,664,000 in 1980.

Assets
(000's)

As Jan. 31	1982	1981
Cash	$ 905	$ 850
Short-term invest.	12,975	3,500
Accts. receiv., net	43,577	38,720
Construc. advances	—	12,045
*Inventories	35,824	46,891
Prepaid expenses	1,409	1,285
Current Assets	$ 94,690	$ 103,291
Investments & other assets	4,297	1,226
#Fixed assets	17,231	19,372
Intangibles	1,989	2,771
Total Assets	$ 118,207	$ 126,660

Liabilities
(000's)

	1982	1981
Notes payable	$ 7,714	$ 9,232
Long-term debt, curr.	7,143	577
Accts. payable	8,697	11,502
Accruals	19,712	12,033
Income taxes	2,422	934
Curr. Liabilities	$ 45,688	$ 34,278
Long-term debt	29,552	49,567
Deferred comp.	915	971
+Common stock	1,169	1,018
Add. paid-in capital	23,674	12,891
Retained earnings	17,209	27,935
Total Liabilities & Shareholders' Equity	$ 118,207	$ 126,660

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	3.41	2.52
Working Capital	$49,002,000	$69,013,000
Current Ratio	2.07	3.01
Shareholders' Equity	$42,052,000	$41,844,000

Data-Design Laboratories

7925 Center Avenue
P.O. Box 711
Cucamonga, California 91730
(714) 987-2511

Officers: Thomas C. Beiseker, president & chief executive officer; Dominic P. Salvati, exec. vice president-finance & treasurer; Clayton L. Sommers, v.p. administration & secretary; John H. Nicholson, exec. v.p.-products & systems.

Directors: Thomas C. Beiseker, Donald Royce, Jr., Russell R. O'Neill, Frank Sanders, Dan W. Burns, Hugh E. Witt.

Areas of Work: Engaged in two major areas — engineering services and engineered products. Engineering services involve electronics systems design and support, specialized systems fabrication, and technical training services. The majority of enginering services performed are elements of complex military weapon systems programs. Engineered products include high-quality printed circuit boards for the electronics industry; emergency power products for office buildings, factories and public buildings; mechanical components and pressure gauges for original equipment manufacturers.

Divisions:

Instrument Division
7925 Center Avenue
Cucamonga, California 91730
(714) 987-2511
Manufactures and markets a line of custom designed gauges for a wide range of OEM's. Beside life support equipment, products include gauges for SCUBA equipment, emergency aircraft escape slides and life rafts.

Technical Services Division
7925 Center Avenue
Cucamonga, California 91730
Produces packaged training and testing systems for military, institutional and commercial organizations.

Subsidiaries:

Circuit Design & Mfg., Inc
7945 Center Avenue
Cucamonga, California 91730
(714) 987-6328
Manufactures printed circuit boards.

Aeroscientific Corporation
184 E. Liberty Avenue
Anaheim, California 92801
(714) 871-8110
Manufactures printed circuit boards.

Phoenix Printed Circuits, Inc.
10017 North 19th Avenue
Phoenix, Arizona 85021
(602) 944-2679
Manufactures circuit boards.

Digital Application, Inc. (79% owned)
2519 National Drive
Garland, Texas 75041
A manufacturer of printed circuit boards.

Custom Systems Associates, Inc.
14100 N.W. Science Park Drive
Portland, Oregon 97229
Manufactures printed circuit boards.

Hydrotronics, Inc
7926 Jones Branch Drive
Suite 500
McLean, Virginia 22101
(703) 790-5270
Conducts research activities in the area of military underwater communications and underseas warfare systems; engineering and fabrication of electronic warfare threat simulators, microwave transmitter and antenna systems, digital control and interface systems, and electronic countermeasures, jammers, receivers and decoys.

Siltron Illumination, Inc.
1960 West 139th Street
Gardena, California 90249
(213) 770-0985
Produces and designs architecturally compatible emergency lighting systems and emergency power equipment used for essential systems such as fire alarms, communications systems, and industrial pumps, blowers and motors.

United Scientific Corporation
Mountain View, California
(415) 969-9400
Manufactures and markets communications equipment and analytical instruments. The signal processing equipment is used in CATV and other cable communications systems and is compatible with coaxial cable, microwave, satellite and fiber optics means of transmission.

Cir-Tech, Inc.
Minneapolis, Minnesota
Manufactures printed circuit boards.

Transfer Agent(s):

Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-The-Counter

Ticker Symbol: DDES (NASDAQ)

Number of Employees:

1981	1,300	1978	965
1980	1,400	1977	750
1979	1,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 68,612,000	$ 3,442,000
1980	66,186,000	2,548,000
1979	49,756,000	2,073,000
1978	34,293,000	1,239,000
1977	28,467,000	1,066,000

	No. of Com. Shares +	Earn. per. Share #
1981	2,708,503	$ 1.26
1980	2,608,304	1.01
1979	2,346,767	0.86
1978	2,291,513	0.53
1977	2,226,920	0.43

+ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding and adjusted to reflect stock splits.

Revenue By Line of Business

	1980	1979	1978
Engineering services	38%	40%	41%
Engineered products	62	60	59
Total	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.24	—	3-for-5
1980	0.20	—	5-for-4
1979	0.14	—	5-for-4

* Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 16,863,000	$ 6.23
1980	13,486,000	5.17
1979	9,032,000	3.85
1978	7,007,000	3.06
1977	5,816,000	2.61

† Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 68,612,000	$ 66,186,000
Cost of sales & services	52,724,000	52,610,000
Expenses	8,506,000	8,010,000
Interest expense	1,503,000	863,000
Income before taxes	$ 5,879,000	$ 4,703,000
Income taxes	2,437,000	2,155,000
Net Income	$ 3,442,000	$ 2,548,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,160,000 in 1981 and $1,544,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 4,408,000	$ 351,000
Marketable Securities	11,284,000	225,000
Accts. & notes receiv., nt	14,134,000	14,450,000
*Inventories	6,451,000	7,248,000
Prepaid expenses	378,000	484,000
Current Assets	$ 36,655,000	$ 22,758,000
#Fixed assets	9,113,000	5,303,000
Other assets	2,453,000	1,744,000
Total Assets	$ 48,221,000	$ 29,805,000

Liabilities

	1981	1980
Notes payable	$ —	$ 600,000
Long-term debt. curr.	650,000	553,000
Accts. payable	2,913,000	3,376,000
Accruals	789,000	744,000
Accruals payroll	3,029,000	2,399,000
Income taxes	424,000	1,388,000
Curr. Liabilities	$ 7,805,000	$ 9,060,000
Long-term debt	23,323,000	6,822,000
Minority interest	230,000	437,000
+Common stock	903,000	652,000
Add. paid-in capital	4,485,000	4,164,000
Retained earnings	11,475,000	8,670,000
Total Liabilities & Shareholders' Equity	$ 48,221,000	$ 29,805,000

* At cost (FIFO).
# Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	8.57	7.11
%Net Income to Sales	5.02	3.85
%Net Income to Equity	20.41	18.89
Sales to Inventories	10.64	9.13
Working Capital	$28,850,000	$13,698,000
Current Ratio	4.70	2.51
Shareholders' Equity	$16,863,000	$13,486,000

Datapoint Corporation

7900 Callaghan Road
San Antonio, Texas 78284
(512) 699-7000

Mailing address:
9725 Datapoint Drive
San Antonio, Texas 78284

Officers: Harold E. O'Kelley, chairman, & chief executive officer; Edward P. Gistaro, president & chief operating officer; Richard V. Palermo, exec. v.p.-operations; Danial A. Hosage, executive v.p.-International Operations; Victor D. Poor, exec. v.p.-research & development; Helaine B. Harthcock, secretary; Jack Menache, v.p.-legal; James D. Simonsen, v.p.-industrial relations; Lloyd C. Tschirhart, v.p. & corp. controller; Gerald R. Birr, v.p. & treasurer; James C. Cogan, v.p. & gen. mgr.-Computer Systems Division;Vincent S. Balhorn, v.p. & gen. mgr.-Operations and Service Group; Alan L. Smith, v.p. & acting gen. mgr.-Magnetic Storage Division; James R. Carreker, v.p. & gen. mgr-Office Communications Systems Division; G. Millard Allen, v.p. & gen. mgr.-Marketing Division; Herbert T. Hensley, v.p. & gen. mgr.-Americas & Australasia Operations; Ronald M. Meyers, v.p. & gen. mgr.-Distributor Operations; Michael E. Wagge, v.p. & gen. mgr.-European Operations.

Directors: Edward P. Gistaro, Gene K. Beare*, William G. Karnes, G. Kozmetsky, Harold E. O'Kelley*, H.G. Bowles, W.C. Leone*, Richard V. Palermo, T.J. Klutznick Victor D. Poor.

*Member of Executive Committee.

Areas of Work: Designs, develops, manufactures and produces general purpose business computer systems for managing the tasks of the fully Integrated Electronic Office. The functions of dispersed data processing, word processing, communications management, electronic message systems, individual computing and electronic file storage/retrieval can all be maintained and arbitrarily expanded or reconfigured within the Attached Resource Computer (ARC) System architecture.

The Company has also developed a sophisticated PBX known as the Information Switching Exchange that integrates the control and switching of both voice and data communications.

Subsidiaries:

Datapoint-DISC, Inc.
9725 Datapoint Drive
San Antonio, Texas 78284

Inforex, Inc.
186 Middlesex Turnpike
Burlington, Massachusetts 01803

Manufactures, markets, leases and services minicomputer-based systems for data entry and life management on a worldwide basis.

Datapoint Corporation Pty. Ltd.
Sydney, Australia

Datapoint International Gesellschaft mbH
Vienna, Austria

Datapoint do Brasil—Informatica e Communicacao
Rio de Janeiro, Brazil

Datapoint Danmark A/S
Copenhagen, Denmark

Datapoint (U.K.) Ltd.
London, England

Datapoint Deutschland GmbH
Hanover, West Germany

Datapoint Beheer B.V.
Rotterdam, The Netherlands

Datapoint Iberica S.A.
Madrid, Spain

Datapoint (Schweiz) A.G.
Zurich, Switzerland

Transfer Agent(s):
First National Bank in Dallas
1401 Elm Street
Dallas, Texas 75283

Stock Exchange(s): New York

Ticker Symbol: DPT

Number of Employees:

1981	6,824	1978	3,889
1980	5,939	1977	2,732
1979	5,066		

Sales and Earnings

	Revenues	Net Income
1981	$ 396,220,000	$ 48,761,000
1980	318,826,000	33,478,000
1979	232,101,000	25,246,000
1978	162,261,000	15,278,000
1977	103,023,000	8,379,000

	No. of Com. Share ‡	Earn per Share ‡
1981	19,900,221	$ 2.45
1980	17,644,588	1.90
1979	17,264,276	1.46
1978	14,921,164	1.02
1977	13,104,632	0.64

‡ Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1*
1980	—	—	2-for-1*

* In the form of a stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 318,423,000	$ 16.00
1980	169,132,000	9.59
1979	128,478,000	7.44
1978	99,448,000	6.66
1977	54,951,000	4.19

‡ Based on weighted average number of shares outstanding adjusted to reflect sock splits.

Income Account *
(000's)

Year ended July 31	1981	1980
Net sales, rentals services	$ 396,220	$ 318,826
Cost of revenue	202,078	160,953
Expenses	129,397	101,044
Eq. in earn. of part. owned cos.	(5,627)	—
Other expense (income)	(10,233)	389
Income before taxes	$ 80,605	$ 56,440
Income taxes	31,844	22,962
Net Income	$ 48,761	$ 33,478

*Included in Costs and Expenses, Depreciation and Amortization: $35,549,000 in 1981 and $29,639,000 in 1980.

Assets
(000's)

As of July 31	1981	1980
Cash	$ 184,677	$ 2,552
Accts. receiv. net	97,185	71,021
*Inventories	73,636	68,506
Prepaid expenses	720	989
Current Assets	$ 356,218	$ 143,068
Install. notes receiv.	1,909	508
Investment	17,655	478
#Fixed assets	52,085	31,197
#Equip. leased to cust.	56,766	46,942
Other assets	2,720	1,430
Intangibles	2,765	—
Total Assets	$ 490,118	$ 223,623

Liabilities
(000's)

Long-term debt, curr.	$ 178	$ 163
Accts. payable	21,588	16,139
Accruals	30,928	24,406
Withholding for stock plan	4,053	2,268
Income taxes payable	7,650	5,466
Curr. Liabilities	$ 64,397	$ 48,442
Long-term debt	103,132	3,934
Deferred inc. taxes	2,737	1,281
Deferred rev.	1,429	834
+ Common stock	4,880	4,248
Add. paid-in capital	173,919	74,021
Retained earnings	139,624	90,863
Total Liabilities & Shareholders' Equity	$ 490,118	$ 223,623

*At lower of standard costs (FIFO) or market.
Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Revenues	20.34	17.70
%Net Income to Rev.	12.31	10.50
%Net Income to Equity	15.31	19.79
Working Capital	$291,821,000	$ 94,626,000
Current Ratio	5.53	2.95
Shareholders' Equity	$318,423,000	$169,132,000

Dataproducts Corporation

6200 Canoga Avenue
Woodland Hills, California 91365
(213) 887-8000

Officers: Graham Tyson, chairman of the board; Russell E. Quinn, sr. v.p.-admn.; Charles A. Dickinson, president & chief executive; John Haerker, sr. v.p.-marketing and corp. development; Frank J. McQuaid, sr. v.p.-finance & treasurer; Clifford J. Helms, sr. v.p.-technical programs; Robert F. Ferrara, v.p.-New England Operations; Robert G. Wallstrom, v.p.-line printer operations; Robert J. Pieper, v.p.-marketing; Paul D. Weiser, sr. v.p.-secretary & corp. counsel.

Directors: Graham Tyson, chairman; George W. Brown, Frank G. Chambers, Chester I. Lappen, Frank C. Mullaney, Charles A. Dickinson, Richard D. Dotts, Frank J. McQuaid, Erwin Tomash.

Areas of Work: Designs and manufactures peripherals for data processing systems, including band, thermal, serial and daisy wheel printers and ferrite core memories. In addition, the Corporation produces data transmission telecommunications equipment for industrial, governmental and commercial use, and ribbons for computer impact printers.

Divisions:

Woodland Hills Division
6219 DeSoto Avenue
Woodland Hills, California 91365
(213) 887-8000

Subsidiaries:

Dataproducts (San Jose), Inc.
2550 Zanker Road
San Jose, California 95131
(408) 946-9740

Dataproducts International, Ltd.
Dataproducts House
136-138 High Street., Egham
Surrey, TW20 9HL

Dataproducts (Dublin) Limited
Clonshaugh-Industrial Estate
Dublin 5, Ireland

Dataproducts Irvine
17426 Daimler Avenue
Irvine, California 92714

Dataproducts Puerto Rico
P.O. Box 7728
Ponce, Puerto Rico 00731
(809) 844-0618

Dataproducts Hong Kong, Limited
95, How-Ming Street
Kwun Tong
Kowloon, Hong Kong

Data Products New England, Inc.
Barnes Park North
Wallingford, Connecticut 06492
(203) 265-7151

Dataproducts Supplies Division
9657 Mason Avenue
Chatsworth, California 91311
(213) 882-0530

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American, Pacific, Phila-Balt-Wash.

Ticker Symbol: DPC

Number of Employees:

1981 ...... 4,500 1980 5,017

Plant Footage:

1981 ...... 1,535,000 sq. ft. 1980 1,535,000

Sales and Earnings

	Net Revenues +	Net Income
1982	$ 268,956,000	$ 6,572,000
1981	270,125,000	17,207,000
1980	180,319,000	7,367,000
1979*	163,569,000	14,172,000
1978	138,648,000	15,523,000

	No. of Com. Shares #	Earn. per Share #
1982	8,830,000	$ 0.74
1981	7,571,000	2.27
1980	7,266,000	1.01
1979	7,262,000	1.95
1978	7,236,000	2.15

* 53 weeks.
+ Of continuing operations only.
# Based on average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1982	1981
Printers	$ 230,568	$ 227,298
Telecommunications	32,690	33,921
Core memories	5,698	8,906
Total	$ 268,956	$ 270,125

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.30	—	—
1981	0.30	—	—
1980	0.30	—	—
1979	0.30	—	—
1978	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 155,572,000	$ 17.63
1981	151,497,000	17.18
1980	92,830,000	12.78
1979	87,376,000	12.07
1978	74,385,000	10.33

Income Account *

Year ended	3/27/82	3/28/81
Net revenues	$ 268,956,000	$ 270,125,000
Cost of revenues	197,058,000	185,461,000
Expenses	63,178,000	57,085,000
Interest expense	1,803,000	4,932,000
Income before taxes	$ 6,917,000	$ 22,647,000
Income taxes	345,000	5,440,000
Net Income	$ 6,572,000	$ 17,207,000

Assets

As of	3/27/82	3/28/81
Cash & securities	$ 8,502,000	$ 12,591,000
Short-term investments	17,665,000	—
Accts. receiv., net	71,012,000	71,085,000
*Inventories	78,041,000	89,433,000
Tax refund receivable	8,612,000	3,480,000
Deferred tax charges	2,763,000	—
Prepaid expenses	2,299,000	1,416,000
Current Assets	$ 188,894,000	$ 178,005,000
Investments	6,785,000	6,448,000
#Fixed assets	45,080,000	37,218,000
Intangibles	15,163,000	15,643,000
Other assets	1,752,000	948,000
Total Assets	$ 257,674,000	$ 238,262,000

Liabilities

Notes payable	$ 19,000,000	$ 1,750,000
Accts. payable	18,778,000	22,705,000
Accruals	10,420,000	12,353,000
Income taxes	2,768,000	3,742,000
Long-term debt; curr. portion	1,938,000	42,000
Other liabilities	1,866,000	3,002,000
Dividends payable	1,324,000	1,323,000
Curr. Liabilities	$ 56,094,000	$ 44,917,000
Long-term debt	33,801,000	33,236,000
Deferred inc. taxes	10,714,000	6,719,000
Other liabilities	1,493,000	1,893,000
+Common stock	883,000	882,000
Add. paid-in capital	68,303,000	68,153,000
Retained earnings	86,386,000	82,462,000
Total Liabilities & Shareholders' Equity	$ 257,674,000	$ 238,262,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.57	8.38
%Net Income to Revenues	2.44	6.37
%Net Income to Equity	4.22	11.36
Working Capital	$132,800,000	$133,088,000
Current Ratio	3.37	3.96
Shareholders' Equity	$155,572,000	$151,497,000

Dataram Corporation

Princeton Road
Cranbury, New Jersey 08512
(609) 799-0071

Officers: Raymond R. Von Culin, chairman of the board & chief executive officer; John F. Gilligan, president; Robert V. Tarantino, exec. v.p.; Bernard F. Hellrigel, v.p.-engineering; G. Robert Marcus, secretary; Frank Kardashian, treasurer.

Directors: John F. Gilligan, Raymond P. Von Culin, Richard Holzman, John Cahill.

Areas of Work: Design and manufacture of memory and peripheral controller products for the minicomputer industry.

Subsidiaries:

Dataram International Sales Corporation
Dataram International Cayman Islands

Affiliates:

Stanford Associates, Inc. (19% interest)
Manila, Republic of the Philippines

Transfer Agent(s):

Fidelity Union Trust Company
765 Broad Street
Newark, New Jersey 07102

Stock Exchange(s): American

Ticker Symbol: DTM

Number of Employees:

1981	225	1978	189
1980	260	1977	169
1979	223		

Plant Footage:

1981	53,000 sq. ft.	1978	30,000
1980	53,000	1977	24,000
1979	38,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 22,815,105	$ (1,556,013)
1980	22,105,268	3,192,288
1979	18,534,293	2,330,537
1978	15,604,980	2,226,055
1977	10,747,620	1,158,761

	No. of Com. Shares ‡	Earn. per Share †‡
1981	2,363,745	$ —
1980	2,275,096	1.40
1979	2,275,918	1.02
1978	2,291,872	0.97
1977	2,434,094	0.48

(Loss)
† Including extraordinary gain of $213,750 ($0.38 per share, in 1977.
‡ Based on the average number of common shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	10%	4-for-1
1979	—	10%	—
1978	—	10%	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,329,299	$ 3.86
1980	10,917,919	4.80
1979	7,731,332	3.40
1978	5,401,897	2.36
1977	3,296,419	1.35

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 22,815,105	$ 22,105,268
Cost of sales	14,920,795	13,590,696
Expense	4,806,315	4,495,826
Interest inc.	(293,550)	(311,612)
Interest expense	399,869	299,694
Other expense (inc.)	1,260,689	(434,624)
Income before taxes	$ 1,720,987	$ 4,465,288
Income taxes	3,277,000	1,273,000
Net Income (Loss)	(1,556,013)	3,192,288

* Included in Costs and Expenses, Depreciation and Amortization: $486,588 in 1981 and $310,505 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 1,256,732	$ 2,523,801
Marketable securities	1,816,766	1,811,409
Accts. receiv., net	4,455,363	5,590,790
*Inventories	6,710,028	4,732,283
Prepaid expenses	23,669	63,829
Deferred charges	311,329	219,750
Current Assets	$ 14,573,887	$ 14,941,862
Notes Receivable	1,281,025	—
Investments in assoc. co.	117,424	117,424
#Fixed assets	2,423,653	1,449,042
Product designs, net	39,736	135,064
Other assets	40,889	24,873
Total Assets	$ 18,476,614	$ 16,668,265

Liabilities

	1981	1980
Accts. payable	$ 1,186,797	$ 2,030,822
Accruals	1,399,660	950,478
Inc. taxes payable	470,945	951,534
Long-term debt, curr.	4,963	96,049
Curr. Liabilities	$ 3,062,365	$ 4,028,883
Long-term debt	2,850,000	1,304,963
Deferred income taxes	3,209,950	391,500
Other liabilities	25,000	25,000
+ Common stock	2,430,496	2,275,096
Add. paid-in capital	4,622,822	3,233,934
Retained earnings	3,852,876	5,408,889
Total Liabilities & Shareholders' Equity	$ 18,476,614	$ 16,668,265

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.54	20.20
%Net Income to Sales	—	14.44
%Net Income to Equity	—	29.24
Sales to Inventories	3.40	4.67
Working Capital	$11,511,522	$10,912,979
Current Ratio	4.76	3.71
Shareholders' Equity	$ 9,329,299	$10,917,919

Datascope Corp.

580 Winters Avenue
Paramus, New Jersey 07652
(201) 265-8800

3 Fir Court
Oakland, New Jersey 07436
(201) 337-3322

Officers: Lawrence Saper, president & treasurer; George Heller, sr. v.p. & secretary; Ernst Janzen, v.p.-int'l. sales; Bruce L. Hanson, v.p.-operations, disposable products; William H. Terrell, v.p.-corp. design; Stuart S. Levy, v.p.-controller & asst. treasurer.

Directors: William L. Asmundson, Joseph Grayzel, George Heller,Alan J. Patricof, Lawrence Saper.

Areas of Work: Designs, manufactures and markets electronic medical instruments and related products for clinical health care applications. The product lines are divided into three areas: physiological monitors, defibrillator systems and cardiac assist systems.

Products include a microprocessor based blood pressure monitor which measures and displays systolic, diastolic, average blood pressure values and heart rate. In addition to the display, a built in printer prints all the numerical results along with date and time. Also the company manufactures defibrillator systems which consist of a monitor for heart rhythm/rate, a recorder, and a defibrillator for administering an electrical discharge for restoring normal heart rhythm.

Subsidiaries:

Datascope B.V.
Hoevelaken, Holland

Datascope GmbH
Bremen, West Germany

Datascope DISC. Corp.
New York, New York

Transfer Agent(s):

General Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCP (NASDAQ)

Number of Employees:

1981	560	1978	325
1980	480	1977	325
1979	379		

Plant Footage:

1981	116,000 sq. ft.	1978	74,600
1980	108,000	1977	74,600
1979	78,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 31,180,269	$ 2,739,541
1980	20,720,753	1,350,996
1979	15,911,713	765,280
1978	13,753,374	1,101,141
1977	12,157,812	1,463,741

	No. of Com. Shares +	Earn. per Share †
1981	2,389,000	$ 1.15
1980	2,336,000	0.58
1979	2,296,000	0.33
1978	2,266,000	0.49
1977	2,258,000	0.65

+ Based on weighted average number of shares outstanding adjusted to reflect stock splits.
† Based on weighted average number of shares outstanding assuming full dilution, adjusted to reflect stock splits.

Revenue By Line of Business

	1981	1980	1979	1978
Monitor/defibrillator systems	33%	31%	31%	32%
Physiological monitoring pro.	24	32	41	41
Cardiac assist systems	43	37	28	27
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1
1979	—	—	—
1978	—	—	—
1977	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 13,540,428	$ 5.67
1980	10,385,801	4.45
1979	8,992,267	3.92
1978	8,073,456	3.56
1977	6,804,083	3.01

+ Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 31,180,269	$ 20,720,753
Cost of sales	14,508,004	9,839,038
Expenses	11,795,336	8,532,486
Other expense	71,388	154,233

Datascope Corp.

Income before taxes	$ 4,805,541	$ 2,194,996
Income taxes	2,066,000	844,000
Net Income	$ 2,739,541	$ 1,350,996

*Included in Costs and Expenses, Depreciation and Amortization: $854,973 in 1981 and $697,477 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 776,276	$ 418,590
Accts. receiv. net	6,716,063	4,342,764
*Inventories	7,970,445	7,159,843
Prepaid expenses	307,614	327,906
Current Assets	$ 15,770,398	$ 12,249,103
#Fixed assets	3,848,616	3,406,465
Other assets	175,249	165,769
Total Assets	$ 19,794,263	$ 15,821,337

Liabilities

Notes payable	$ —	$ 1,150,000
Accts. payable	779,084	955,472
Accruals	2,093,421	1,218,357
Income taxes	2,121,933	1,392,503
Mortgage payable	49,666	20,375
Curr. Liabilities	$ 5,044,104	$ 4,736,707
Mortgage payable	1,001,065	514,163
Deferred inc. taxes	208,666	184,666
+Common stock	23,475	23,026
Add. paid-in capital	2,394,520	1,979,883
Retained earnings	11,122,433	8,382,892
Total Liabilities & Shareholders' Equity	$ 19,794,263	$ 15,821,337

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.41	10.59
%Net Income to Sales	8.79	6.52
%Net Income to Equity	20.23	13.01
Sales to Inventories	3.91	2.89
Working Capital	$10,726,294	$ 7,512,396
Current Ratio	3.13	2.59
Shareholders' Equity	$13,540,428	$10,385,801

Datatron, Inc.

2942 Dow Avenue
Tustin, California 92680
(714) 544-9970

Officers: S. Lewis Meyer, chief exec. officer & president; Frank Blaha, v.p.-operations; Mark A. Voorhis, v.p.-administration, treasurer & asst. secretary; C. Harrison Minich, secretary; Aggie Sussman, purchasing agent; Terry Vaughn, manufacturing mgr.; Stuart Dunford, controller; William Huggins, engineering manager; Jim Morgan, director of procurement.

Directors: C. Harrison Minich, Leona Purcilly Strand, Roger L. Bailey, S. Lewis Meyer, Arthur L. Purcilly, Gary Mounts, Louis J. Knobbe, C. Craig Carlson.

Areas of Work: Produces computer controlled test equipment, readout displays, indicator lamps,timing instrumentation, and video tape editors.

Divisions and Subsidiaries:

Shelly Associates, Inc.
Testing and Editing Systems Division

all at:

2942 Dow Avenue
Tustin, California 92680
(714) 544-9970

Transfer Agent(s):

Union Bank
310 Wilshire Blvd.
Los Angeles, California 90010

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DTRN (NASDAQ)

Number of Employees:

1981	130	1978	120
1980	149	1977	265
1979	142		

Plant Footage:

1981	45,000 sq. ft.	1978	25,000
1980	45,000 sq. ft.	1977	79,500
1979	27,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 6,243,329	$ (86,901)
1980	6,312,439	574,046
1979	5,058,810	231,108
1978	4,714,151	184,775
1977	4,576,400	(436,101)

	No. of Com. Shares	Earn. per Shares ‡ #
1981	2,181,039	$ —
1980	1,847,289	0.23
1979	1,817,039	0.13
1978	1,796,539	0.10
1977	1,796,539	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary credits of $135,000 ($0.05 per share) in 1980, $92,000 ($0.05 per share) in 1979, $75,200 ($0.04 per share) in 1978 and extraordinary loss of $68,518 ($0.03 per share) in 1981.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,944,421	$ 1.35
1980	2,488,580	1.35
1979	1,897,518	1.04
1978	1,647,005	0.92
1977	1,462,230	0.81

Income Account *

Year ended June 30	1981	1980
Net sales	$ 6,243,329	$ 6,312,439
Cost of sales	3,637,956	3,471,822
Expenses	2,918,839	2,117,606
Interest expense	153,144	88,065
Gain on lease. settle	(221,080)	—
Interest income	(86,132)	(117,000)
Gain on Exch. of sec.	(78,015)	—
Income (loss) before taxes	$ (81,383)	$ 752,046
Income taxes (credit)	(63,000)	313,000
Net Income (loss)	$ (18,383)	$ 439,046
Extraordinary items	(68,518)	135,000
Net Income (Loss) & extraord. items	$ (86,901)	$ 574,046

*Included in Costs and Expenses, Depreciation and Amortization: $143,747 in 1981 and $93,988 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 519,117	$ 1,041,773
Marketable securities	—	276,501
Receivables	1,223,941	1,415,071
Refund inc. taxes	206,204	
*Inventories	2,051,810	1,632,060
Prepaid expenses	45,851	138,203
Current Assets	$ 4,046,923	$ 4,503,608
# Fixed assets	738,732	236,215
Note reciev.	273,285	—
Deferred underwriting fees	85,298	251,288
Other assets	76,860	165,617
Total Assets	$ 5,221,098	$ 5,156,728

Liabilities

Note payable	$ 675,000	$ —
Accts. payable	456,571	324,613
Accruals	273,641	324,871
Accrued payroll	112,758	131,619
Commissions	58,506	67,768
Inc. taxes deferred	18,281	267,207
Long term debt, curr.	24,681	20,238
Curr. Liabilities	$ 1,619,438	$ 1,136,316
Long-term debt	657,239	1,531,832
+Common stock	2,082,959	1,438,710
Add. paid-in capital	620,511	722,018
Retained earnings	240,951	327,852
Total Liabilities & Shareholders' Equity	$ 5,221,098	$ 5,156,728

*At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.91
%Net Income to Sales	—	6.96
%Net Income to Equity	—	17.64
Sales to Inventories	3.04	3.87
Working Capital	$2,427,484	$3,367,292
Current Ratio	2.50	3.96
Shareholders' Equity	$2,944,421	$2,488,580

Datum Inc.

1363 South State College Boulevard
Anaheim, California 92806
(714) 533-6333

Officers: Louis B. Horwitz, chairman of the board & president; Clyde E. Cole, v.p. & president-Timing Division; Benjamin F. Tarver, v.p.-finance & treasurer; James W. Hamilton, secretary.

Directors: Louis B. Horwitz, chairman; Edward A. Money, Charles W. Missler, G. Tilton Gardner, Dan L. McGurk, Thomas J. O'Rourke.

Areas of Work: The Company provides industry with peripheral device controllers, interconnecting widely-used minicomputer systems with most available peripheral devices, and a complete range of precision timing instrumentation.

Transfer Agent(s):

Wells Fargo Bank, N.A.
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DATM (NASDAQ)

Number of Employees:

1981	246	1978	304
1980	260	1977	300
1979	316		

Plant Footage:

1981 . . . . . . 100,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income +
1981	$ 12,749,000	$ (238,000)
1980	14,919,000	258,000
1979	15,233,000	200,000
1978	16,457,000	1,016,000
1977	15,697,000	765,000

	No. of Com. Shares	Earn. per Share ‡+
1981	1,998,788	$ —
1980	1,814,438	0.14
1979	1,771,563	0.11
1978	1,764,213	0.55
1977	1,748,913	0.43

(Loss)

+ Including extraordinary gains of $331,000 ($0.18 per share) in 1978 and $350,000 ($0.20 per share) in 1977.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Storage systems	44%	57%	64%	63%
Timing Instrumentation & systems	56	43	36	37
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,752,000	$ 1.88
1980	3,886,000	2.14
1979	3,553,000	2.01
1978	3,338,000	1.89
1977	2,308,000	1.32

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 12,749,000	$ 14,919,000
Cost of sales	7,700,000	9,242,000
Expenses	5,138,000	4,866,000
Interest expenses	228,000	283,000
Income (loss) before taxes	$ (317,000)	$ 528,000
Income taxes (credit)	(79,000)	270,000
Net Income (Loss)	$ (238,000)	$ 258,000

* Included in Cost and Expenses, Depreciation and Amortization: $372,000 in 1981 and $376,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 48,000	$ 368,000
Accts. receiv., net	2,936,000	2,482,000
Refund. inc. taxes	34,000	—
*Inventories	2,409,000	2,680,000
Prepaid expenses	80,000	118,000
Current Assets	$ 5,507,000	$ 5,648,000
#Fixed assets	2,079,000	2,244,000
Other assets	218,000	236,000
Total Assets	$ 7,804,000	$ 8,128,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 184,000	$ 174,000
Accts. payable	741,000	749,000
Accruals	278,000	226,000
Income taxes payable	—	173,000
Deferred inc. taxes	583,000	489,000
Accrued payroll	297,000	276,000
Curr. Liabilities	$ 2,083,000	$ 2,087,000
Long-term debt	1,933,000	2,122,000
Deferred income taxes	36,000	33,000
+Common stock	500,000	454,000
Add. paid-in capital	2,537,000	2,479,000
Retained earnings	715,000	953,000
Total Liabilities & Shareholders' Equity	$ 7,804,000	$ 8,128,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.54
%Net Income to Sales	—	1.73
%Net Income to Equity	—	6.64
Sales to Inventories	5.29	5.57
Working Capital	$3,424,000	$3,561,000
Current Ratio	2.64	2.71
Shareholders' Equity	$3,752,000	$3,886,000

DBA Systems, Inc.

P.O. Drawer 550
1103 W. Hibiscus Boulevard
Melbourne, Florida 32901
(305) 727-3711

Officers: Howard N. Hebert, chairman of the board, president & treasurer; M. Alan Bishop, exec. v.p.; Louis J. Lopez, v.p.-marketing; John L. Shaumann, v.p.-business development; Jon D. Guess, controller; James P. Desjarlais, asst. treasurer; William C. Potter, secretary.

Directors: Howard N. Hebert, chairman; Duane C. Brown, John R. Godwin, E. Davidson Potter, George L. MacKay, Harry Huge, William C. Potter, Brent Scowcroft, Jonathan L. Collens, Sr., John C. Colman.

Areas of Work: Engaged in the development and production of trackers used in airborne and ground based weapons, and for satellites, and gun fire-control systems; message switching systems as well as complete message preparation and distribution terminals. Produces instrumentation and systems for photogrammetric structural measurement and aerial photography, primarily for government use.

Divisions and Subsidiaries:

DBA Systems, Inc.-Washington D.C. Division
Suite 2[illegible]0 Beltway Building
9301 Annapolis Road
Lanham, Maryland 20801
(301) 577-3001

Real Time Systems Division
Computer Science Division
Photogrammetric and Geodetic Services Division

Acquisition(s):

Mead Technology Laboratory
Dayton, Ohio
(Division of Mead Corporation)

Produces digital image processing equipment, photographic laboratory automation and evaluation.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBAS (NASDAQ)

Number of Employees:

1981	265	1979	180
1980	180	1978	160

Plant Footage:

1981	105,000 sq. ft.	1979	65,000
1980	65,000	1978	65,000

Sales and Earnings

	Revenues	Net Income #
1981	$ 13,485,316	$ 748,211
1980	10,699,672	601,279
1979*	3,578,774	55,913
1978	7,332,285	109,819
1977	4,927,223	(581,412)

	No. of Com. Shares ‡	Earn. per Shares ‡#
1981	1,111,535	$ 0.66
1980	977,460	0.61
1979*	871,760	0.06
1978	759,411	0.15

(Loss)

* 6 months.

† Based on weighted average number of shares outstanding adjusted to reflect stock split.

# Including extraordinary gains of $36,300 ($0.03 per share) in 1981, $89,200 ($0.09 per share) in 1980 and $42,200 ($0.06 per share) in 1978.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,171,531	$ 2.85
1980	2,395,628	2.45
1979	1,509,510	1.73
1978	1,337,051	1.76

‡ Based on weighted average of number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	6/30/81	6/30/80
Revenues	$ 13,485,316	$ 10,699,672
Costs & expenses	12,101,732	9,805,977
Interest expense	144,774	190,270
Other expenses	49,601	17,881
Income before taxes	$ 1,288,411	$ 721,306
Income taxes	576,500	209,227
Net Income	$ 711,911	$ 512,079
Extraord. gain	36,300	89,200
Net Income & Extraord. Gain	$ 748,211	$ 601,279

* Included in Costs and Expenses, Depreciation: $290,776 in 1981 and $221,309 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 37,209	$ 17,123
Accts. receiv., net	2,441,965	2,404,277
Earnings in excess of billings	1,716,032	702,876
*Inventories	408,632	860,489
Other curr. assets	113,266	36,657
Deferred tax charges	68,000	17,500
Current Assets	$ 4,785,104	$ 4,038,922
#Fixed assets	1,220,205	1,029,494
Other assets	31,574	604,640
Total Assets	$ 6,036,883	$ 5,673,056

Liabilities

	1981	1980
Notes payable	$ 400,000	$ 500,000
Cap. lease oblig., curr.	148,156	137,207
Accts. payable	708,000	689,108
Accrued payroll	149,207	205,850
Accruals	127,548	100,187
Billings in exc. of costs	227,713	857,011
Loss on uncom. contracts	58,178	46,603
Income taxes payable	447,395	115,600
Other curr. liab.	184,519	139,890
Curr. Liabilities	$ 2,450,716	$ 2,791,456
Deferred taxes	55,000	20,500
Long-term debt	319,136	447,321
Deferred compens.	40,500	18,151
+Common stock	115,598	245,408
Add. paid-in capital	1,686,840	1,528,925
Retained earnings	1,474,304	726,093
Treasury stock	(105,211)	(104,798)
Total Liabilities & Shareholders' Equity	$ 6,036,883	$ 5,673,056

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.331/3 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.55	6.74
%Net Income to Revenues	5.28	4.79
%Net Income to Equity	22.45	21.38
Working Capital	$2,334,388	$1,247,466
Current Ratio	1.95	1.45
Shareholders' Equity	$3,171,531	$2,395,628

Decision Data Computer Corporation

100 Witmer Road
Horsham, Pennsylvania 19044
(215) 674-3300

Officers: Richard J. Schineller, president & chief executive officer; Carl W. Stursberg, Jr., chairman of the board; Howard Bernard, sr. v.p., corp. secretary & corporate counsel; Raymond V. Sozzi, v.p.-finance & operations; Michael D. Brody, v.p.-marketing; Robert H. Raquet, v.p.-customer service; James M. Beisty, v.p.-engineering; Joel F. Sussman, treasurer; George G. Zoller, controller.

Directors: Thomas L. Richardson, Howard Bernard, Carl W. Stursberg, Jr.*, Dause L. Bibby, Milton Schwartz, Richard J. Schineller*, John M. Armstrong, Henry A. Sweetbaum*.

* Member of Executive Committee.

Areas of Work: Engaged in the design, manufacture, sale, lease and maintenance of data entry equipment, data communications & display systems, computer peripherals and peripheral subsystems.

Subsidiaries:

Decision Data Computer International Ltd.
Decision Data Leasing Corporation
Decision Data Properties Corporation
Decision Data Computer Sales Corporation

Decision Data Computer International, S.A.
15 Rue de l'Hospital
1701 Fribourg, Switzerland

Decision Data Computer (Canada) Ltd.
Montreal, Quebec; Toronto, Ontario; Vancouver, British Columbia

Decision Data Computer (Belgium) S.A.
Avenue E. De Mot 10
B-1050 Brussels, Belgium

Decision Data Computer (G.B.) Ltd.
London and Manchester, England

Decision Data Computer, S.A.
Paris, France

Decision Data Computer GmbH
Frankfurt, Hamburg, Hanover, Munich and Stuttgart, West Germany.

Transfer Agent(s):

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Philadelphia National Bank
Broad & Chestnut Streets
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DDCC (NASDAQ)

Number of Employees:

1981	920	1978	801
1980	790	1977	758
1979	746		

Plant Footage:

1981	125,000 sq. ft.	1978	125,000
1980	125,000	1977	125,000
1979	125,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 50,101,000	$ 2,055,000
1980	43,606,000	3,038,000
1979*	41,374,000	627,000
1978	40,760,000	2,267,000
1977	33,956,000	1,298,000

	No. of Com. Shares	Earn. per Share #‡
1981	5,032,718	$ 0.37
1980	4,887,956	0.63
1979	4,032,316	0.16
1978	3,825,858	0.59
1977	3,746,568	0.34

* 53 weeks.
‡ Including extraordinary gains of $703,000 ($0.13 per share) in 1981, $2,891,000 ($0.56 per share) in 1980, $304,000 ($0.08 per share) in 1979, $1,150,000 ($0.30 per share) in 1978, $612,000 ($0.16 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 17,650,000	$ 3.51
1980	15,399,000	3.15
1979	9,663,000	2.40
1978	8,505,000	2.22
1977	6,050,000	1.61

Income Account *
(000's)

Year ended	11/30/81	11/29/80
Net sales	$ 25,438	$ 22,420
Other income	24,663	21,186
Revenues	$ 50,101	$ 43,606
Cost of revenues	29,594	28,740
Interest expense	1,079	1,366
Expenses	17,194	13,413
Income before taxes	$ 2,234	$ 87
Income taxes (credit)	882	(60)
Net Income	$ 1,352	$ 147
Extraord. gain	703	2,891
Net Income & extraord. gain.	$ 2,055	$ 3,038

* Included in Costs and Expenses, Depreciation and Amortization: $2,824,000 in 1981 and $3,215,000 in 1980.

Assets
(000's)

As of	11/30/81	11/29/80
Cash	$ 3,448	$ 2,401
Receiv., net	8,108	6,972
*Inventories	14,111	12,077
Prepaid expenses	511	512
Def.inc. taxes	241	—
Current Assets	$ 26,419	$ 21,962
Receivables	1,709	1,421
Rental Equip.	4,847	4,450
#Fixed assets	1,715	1,437
Defer. commissions	206	110
Total Assets	$ 34,896	$ 29,380

Liabilities
(000's)

Notes payable	$ 192	$ 482
Long-term debt, curr.	13	—
Accts. payable	5,181	3,103
Accruals	4,449	3,057
Curr. Liabilities	$ 9,835	$ 6,642
Long-term debt	7,086	7,000
Deferred income taxes	325	339
+Common stock	503	489
Add. paid-in capital	20,568	20,383
Deficit	(3,418)	(5,473)
Treasury stock	(3)	—
Total Liabilities & Shareholders' Equity	$ 34,896	$ 29,380

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	4.46	—
%Net Income to Revenues	2.70	0.66
%Net Income to Equity	7.66	0.95
Working Capital	$16,584,000	$15,320,000
Current Ratio	2.69	3.31
Shareholders' Equity	$17,650,000	$15,399,000

Del Electronics Corp.

250 E. Sandford Boulevard
Mount Vernon, New York 10550
(914) 699-2000

Officers: Raymond Kaufman, chairman of the board, president & chief executive officer; Walter Young, v.p.-marketing; William Kaufman, v.p.-administration & secretary; John Pignataro, v.p.-development engineering; Dominick Congiusti, v.p.-general manager.

Directors: Raymond Kaufman, chairman; Hugo J. DiGiovanni, Joseph M. Herman, Alfred Schoen, James M. Tiernan, Irving Kaufman.

Areas of Work: Manufacturer of high voltage power supplies including power supplies for tomographic, x-ray equipment, transformers, and high voltage and precision capacitors.

Transfer Agent(s):

The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DELE (NASDAQ)

Number of Employees:

1981	170	1978	150
1980	170	1977	164
1979	160		

Plant Footage:

1981	60,000 sq. ft.	1978	60,000
1980	60,000 sq. ft.	1977	60,000
1979	60,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 6,851,861	$ 407,857
1980	6,225,971	296,995
1979	3,896,216	(97,516)
1978	5,722,005	476,683
1977	4,383,761	389,240

	No. of Com. Shares	Earn. per Share † #
1981	645,800	$ 0.63
1980	645,800	0.46
1979	645,800	—
1978	643,800	0.74
1977	638,875	0.61

(Loss)
† Including extraordinary gain of $52,000 ($0.08 per share) in 1977.
# Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.15	—	—
1979	0.15	—	—
1978	0.15	—	—
1977	0.125	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,997,369	$ 3.09
1980	1,686,382	2.61
1979	1,486,257	2.30
1978	1,679,143	2.61
1977	1,295,177	2.03

Income Account *

Year ended July 31	1981	1980
Net sales	$ 6,851,861	$ 6,225,971
Cost of sales	4,931,264	4,553,848
Expenses	1,202,893	1,147,219
Other income	(19,290)	(10,091)
Income before taxes	$ 736,994	$ 534,995
Income tax credit	329,137	238,000
Net Income	$ 407,857	$ 296,995

* Included in Costs and Expenses, Depreciation: $47,990 in 1981 and $36,253 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 175,210	$ 256,891
Accts. receiv., net	1,270,825	978,868
*Inventories	1,037,813	1,099,816
Prepaid expenses	14,839	18,327
Current Assets	$ 2,498,687	$ 2,353,902
#Fixed assets	171,680	172,648
Total Assets	$ 2,670,367	$ 2,526,550

Liabilities

	1981	1980
Accts. payable	$ 121,514	$ 259,305
Accruals	69,334	21,297
Accrued payroll	300,494	255,716
Income taxes	129,157	255,982
Payroll taxes	52,499	47,868
Curr. Liabilities	$ 672,998	$ 840,168
+Common stock	64,580	64,580
Add. paid-in capital	330,828	330,828
Retained earnings	1,601,961	1,290,974
Total Liabilities & Shareholders' Equity	$ 2,670,367	$ 2,526,550

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	10.76	8.59
%Net Income to Sales	5.95	4.77
%Net Income to Equity	20.42	17.61
Sales to Inventories	6.60	5.66
Working Capital	$1,825,689	$1,513,734
Current Ratio	3.71	2.80
Shareholders' Equity	$1,997,369	$,686,382

Designatronics Incorporated

55 South Denton Avenue
New Hyde Park, New York 11040
(516) 328-3300

Officers: Sol Schwartz, president; Joseph Rubenfeld, executive vice president and treasurer; Martin Hoffman, Frank Buchsbaum, senior vice presidents; Hitoshi Tanaka, vice president; Reuben M. Siwek, secretary.

Directors: Frank Buchsbaum, Martin Hoffman, Joseph Rubenfeld, Sol Schwartz, Reuben M. Siwek.

Divisions:

Sterling Instrument Division
New Hyde Park, New York 11040

Manufactures precision mechanical components, including precision gears, differentials, brakes, clutches, couplings, bearings and shafts.

Stock Drive Products Division
New Hyde Park, New York 11040

Manufactures and markets standard and designed-to-order small commercial-quality drive components.

Stock Model Parts Division
55 South Denton Avenue
New Hyde Park, New York 11040

Electro-mechanical training for schools as well as models for hobbyists.

Perfect Gear and Instrument Division
New Hyde Park, New York

Subsidiaries:

United Products Company
1080 Garden State Road
Union, New Jersey 07083

Engaged in the manufacture of injection molded products for the electronic mechanical drive, medical packaging, and display industries.

Designatronics International Sales Corp. (DISC)
New Hyde Park, New York 11040

Engaged in export activities for corporated divisions as well as the products produced by other U.S. manufacturers.

Automatic Coil Corp.
455 East 10th Avenue
Hialeah, Florida 33010

Manufacturer of custom designed inductive components.

Automatic Coil Haiti, Inc., S.A.
Port-au-Prince, Haiti

Products manufactured include a complete line of IF-RF coils, toroids, baluns, bobbins and related windings in addition to specially engineered inductors, transformers, filters, discriminators, a wide range of electronic assemblies, and printed circuit board assemblies.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSGN (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 13,510,192	$ 870,363
1980	10,680,943	205,793
1979	8,443,320	327,458
1978	7,005,6[illegible]	117,560
1977	5,684,[illegible]	(164,756)

	No. of Com. Shares	Earn. per Share#
1981	898,355	$ 0.87
1980	760,070	0.35
1979	760,570	0.36
1978	778,070	0.20
1977	778,070	—

(Loss)
Based on the weighted average number of shares outstanding.
‡ Including extraordinary charge of $123,155 ($0.15 per share).

Revenues By Line of Business

	1981	1980
Electronic	$ 3,207,000	$ 2,261,000
Electromechanical & mechanical	10,303,000	8,420,000
Total	$ 13,510,000	$ 10,681,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,125,359	$ 3.48
1980	2,211,454	2.91
1979	2,008,336	2.64
1978	1,699,066	2.18
1977	1,521,506	1.95

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 13,510,192	$ 10,680,943
Cost of sales	8,313,078	6,976,526
Expenses	3,428,488	2,918,705
Other income	(94,793)	(33,714)
Interest expense	413,556	312,250
Income bef. taxes	$ 1,449,863	$ 507,176
Income taxes	579,500	178,228
Net Income	$ 870,363	$ 328,948
Extraord. charge	—	123,155
Net Income & extraord. charge	$ 870,363	$ 205,793

* Included in Costs and Expenses, Depreciation and Amortization: $203,340 in 1981 and $148,801 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 117,236	$ 55,158
Accts. receiv. net	2,304,470	1,743,381
*Inventories	2,568,498	2,664,930
Prepaid expenses	61,181	119,816
Refundable taxes	6,545	20,852
Current Assets	$ 5,057,930	$ 4,604,137
#Fixed assets	1,012,358	856,717
Other assets	204,187	140,417
Total Assets	$ 6,274,475	$ 5,601,271

Liabilities

	1981	1980
Notes payable	$ 324,803	$ 197,683
Long-term debt, curr.	97,485	180,208
Accts. payable	634,121	606,403
Accruals	531,954	492,434
Income taxes	422,668	53,304
Curr. Liabilities	$ 2,011,031	$ 1,530,032
Long-term debt	1,048,085	1,809,785
Deferred comp.	90,000	50,000
+Common stock	38,154	32,446
Add. paid-in capital	977,996	720,529
Retained earnings	2,395,806	1,525,443
Treasury stock	(73,997)	(66,964)
Deferred value of restricted shares	(69,050)	—
Notes receivable	(143,550)	—
Total Liabilities & Shareholders' Equity	$ 6,274,475	$ 5,601,271

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization
+ $0.04 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	10.73	4.74
%Net Income to Sales	6.44	3.08
%Net Income to Equity	27.85	14.87
Sales to Inventories	5.26	4.01
Working Capital	$3,046,899	$3,074,105
Current Ratio	2.52	3.01
Shareholders' Equity	$3,125,359	$2,211,454

Detection Systems, Inc.

400 Mason Road
P.O. Box 360
Fairport, New York 14450
(716) 223-4060

Officers: Karl H. Kostusiak, president; David G. Davis, v.p., secretary & treasurer; R. David Diederich, v.p.-marketing; David B. Lederer, v.p.-operations; David E. Perlman, v.p.-advanced development.

Directors: Karl H. Kostusiak, David G. Davis, David B. Lederer, David E. Perlman, Wallace M. Juechter, William Manning, Edward C. McIrvine.

Areas of Work: Develops, manufactures and markets electronic security devices, including ultrasonic and photoelectric intrusion detectors and detection devices activated by body heat, for the security industry.

Transfer Agent(s):

Lincoln First Bank, N.A.
Lincoln First Tower
Rochester, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DETC (NASDAQ)

Number of Employees:

1981	180	1978	96
1980	158	1977	85
1979	116		

Plant Footage:

1980	35,000 sq. ft.	1977	23,500
1979	35,000	1976	23,500
1978	23,500		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 9,247,196	$ 1,060,219
1980	6,575,113	420,529
1979	4,668,519	169,915
1978	3,424,211	49,709
1977	3,072,160	91,436

	No. of Com. Shares †	Earn. per Share # ‡
1981	1,095,701	$ 0.95
1980	1,058,394	0.40
1979	1,050,113	0.16
1978	4,090,311	0.05
1977	1,075,097	0.09

‡ Including extraordinary gains of $9,200 ($0.02 per share) in 1977.
† Adjusted to reflect stock split.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2
1980	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 3,201,615	$ 2.92
1980	2,068,063	1.95
1979	1,650,909	1.35
1978	1,469,814	1.35
1977	1,407,105	1.31

† Adjusted to reflect stock split.

Income Account *

Year ended March 31	1980	1979
Net sales	$ 6,575,113	$ 4,668,519
Cost of sales & expenses	5,784,884	4,428,804
Income before taxes	$ 790,229	$ 239,715
Income taxes	369,700	69,800
Net Income	$ 420,529	$ 169,915

* Included in Costs and Expenses, Depreciation and Amortization: $65,241 in 1980 and $40,027 in 1979.

Assets

As of March 31	1980	1979
Cash	$ 371,808	$ 193,944
Marketable securities	20,764	20,764
Accts. receiv., net	1,076,125	714,426
* Inventories	1,584,421	1,196,374
Deferred inc. taxes	78,800	26,800
Prepaid expenses	19,186	5,203
Current Assets	$ 3,151,104	$ 2,157,511
# Fixed assets	450,854	304,936
Total Assets	$ 3,601,958	$ 2,462,447

Liabilities

Notes payable	$ 100,000	$ 100,000
Installment purchases	6,083	—
Accts. receiv., net	586,027	498,979
Accruals	407,768	158,309
Customer deposits	10,000	2,500
Income tax payable	363,800	41,950
Curr. Liabilities	$ 1,473,678	$ 801,738
Installment purchases	17,417	—
Deferred inc. taxes	42,800	29,800
+ Common stock	36,787	36,787
Add. paid-in capital	1,343,485	1,330,220
Retained earnings	705,874	285,345
Treasury stock	(18,083)	(21,443)
Total Liabilities & Shareholders' Equity	$ 3,601,958	$ 2,462,447

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.02	5.13
%Net Income to Sales	6.40	3.64
%Net Income to Equity	20.33	10.42
Sales to Inventories	4.15	3.90
Working Capital	$1,677,426	$1,355,773
Current Ratio	2.14	2.69
Shareholders' Equity	$2,068,063	$1,630,909

The Dewey Electronics Corporation

27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Officers: Gordon C. Dewey, president; David M. Orth, v.p.-marketing; Frances D. Dewey, treasurer; John G. McQuaid, secretary.

Directors: Frances D. Dewey, Gordon C. Dewey, Peter Eustis, John G. McQuaid, Alexander A. Cameron, Jr., Millard F. West, Jr., James A. Newman.

Areas of Work: The Corporation develops and produces digital systems, nuclear sensors, microwave, sonar, communications and special purpose equipment. The Pitometer Log division also manufactures ship speed and distance measuring instrumentation.

Subsidiary

Pitometer Log Corporation
27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Manufacturer of ship speed and distance measuring instrumentation.

Transfer Agent(s):

Chemical Bank
20 Pine Street
New York, New York 10008

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEWY (NASDAQ)

Sales and Earnings

	Revenues	Net Income #
1981	$ 4,637,536	$ (231,508)
1980	5,897,945	212,975
1979	4,532,925	202,817
1978	4,032,138	153,948
1977	2,593,407	(539,816)

	No. of Com. Shares	Eern per Shares ‡#
1981	581,037	$ —
1980	579,847	0.36
1979	579,010	0.34
1978	579,159	0.39
1977	581,660	—

(Loss)
‡ Based on weighted average number of shares outstanding.
# Including extraordinary gains of $69,000 ($0.12 per share) in 1978.

Revenues By Line of Business

	1981	1980
Electronic products	$ 2,305,000	$ 4,191,000
Snowmaking equipment	2,333,000	1,707,000
Total	$ 4,638,000	$ 5,898,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	0.10	—	—
1979	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,255,825	$ 3.88
1980	2,481,713	4.28
1979	2,322,269	4.01
1978	2,145,642	3.70
1977	1,930,196	3.32

Income Account *

Year ended June 30	1981	1980
Revenues	$ 4,637,536	$ 5,897,945
Cost of revenues	3,835,294	4,593,170
Expenses	999,896	856,127
Interest expense	175,947	63,310
Interest income	35,653	(58,136)
Income (loss) before taxes	$ (337,908)	$ 443,474
Income taxes (credit)	(106,400)	230,499
Net Income (Loss)	$ (231,508)	$ 212,975

* Included in Costs and Expenses, Depreciation and Amortization: $74,893 in 1981 and $38,618 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 210,809	$ 173,945
Accts. & notes receiv., net	464,757	911,275
Exc. contract cost	1,083,666	1,483,078
*Inventories	754,815	1,033,477
Prepaid expenses & other assets	50,069	47,938
Current Assets	$ 2,564,116	$ 3,649,713
Install. receiv.	9,662	21,429
#Fixed assets	1,921,925	799,750
Intangibles	291,888	318,027

Total Assets	$ 4,787,591	$ 4,768,919
Liabilities		
Notes payable	$ 400,000	$ 400,000
Mortg. note payable, curr.	29,014	26,526
Accts. payable	405,288	791,642
Accruals	146,557	187,457
Customer deposits	60,815	45,419
Income taxes	—	225,325
Deferred income taxes	81,655	99,955
Curr. Liabilities	$ 1,123,329	$ 1,776,324
Deferred income taxes	85,245	30,845
Mortg. note payable	1,323,192	480,037
+Common stock	7,771	7,771
Add. paid-in capital	2,850,809	2,850,009
Retained earnings (deficit)	(33,102)	198,406
Treasury stock	(569,653)	(572,523)
Unearned comp.	—	(1,950)
Total Liabilities & Shareholders' Equity	$ 4,878,591	$ 4,768,919

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	7.49
%Net Income to Revenues	—	3.60
%Net Income to Equity	—	8.58
Working Capital	$1,440,787	$1,873,389
Current Ratio	2.28	2.28
Shareholders' Equity	$2,255,825	$2,481,713

Dexon, Inc.

3440 Belt Line Boulevard
Minneapolis, Minnesota 55416
(612) 927-5671

Officers: Peter C. Deckas, chairman of the board; John H. Sandbo, president, treasurer & chief executive officer; Mary M. Smith, secretary.

Directors: Peter C. Deckas, chairman; Patrick J. Barrett, James E. Blake, John H. Sandbo, Clarence E. Westin.

Areas of Work: Engaged in the design and manufacture of ultra-clean air systems and wet process work stations and quartz tube cleaners which are used in the manufacture of integrated circuits. Also produces the Air Sentry product line of dust collector equipment used to control in-plant pollution.

Transfer Agent(s):
First National Bank of Minneapolis
120 South 6th Street
Minneapolis, Minnesota 55480

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEXO (NASDAQ)

Plant Footage:
1981 . . . . . . 55,000 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 3,243,000	$ 156,000
1980	2,714,000	219,000
1979	1,718,000	311,000
1978	1,153,000	171,000
1977	944,000	(80,000)

	No. of Com. Shares	Earn. per Share ‡#
1981	620,325	$ 1.67
1980	607,325	1.38
1979	595,325	1.04
1978	580,625	0.51
1977	580,625	0.21

(Loss)
‡ Including extraordinary gains of $125,000 ($0.21 per share) in 1979 and $71,000 ($0.12 per share) in 1978.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,048,000	$ 1.67
1980	856,000	1.38
1979	618,000	1.04
1978	294,000	0.51
1977	122,000	0.21

Income Account *

Year ended Mar. 31	1981	1980
Net sales	$ 3,232,656	$ 2,677,886
Other income	9,947	35,653
Total income	$ 3,242,603	$ 2,713,539
Cost of sales	2,116,224	1,743,313
Expenses	851,181	610,797
Interest expense	13,953	11,241
Income before taxes	$ 261,245	$ 348,188
Income taxes	105,000	129,000
Net Income	$ 156,245	$ 219,188

* included in Costs and Expenses, Depreciation and Amortization: $79,661 in 1981 and $38,828 in 1980.

Assets

As of Mar. 30	1981	1980
Cash	$ 80,288	$ 27,357
Short-term invest.	—	269,019
Accts. receiv., net	836,242	329,818
*Inventories	500,434	319,268
Other curr. assets	30,836	18,380
Current Assets	$ 1,447,800	$ 990,842
#Fixed assets	337,815	346,943
Total Assets	$ 1,785,615	$ 1,337,785
Liabilities		
Notes payable	$ 250,000	$ —
Long-term debt, curr.	12,373	38,132
Accts. payable	209,205	118,767
Compen. & rel. taxes	186,547	136,344
Commissions	54,555	33,036
Income taxes	—	105,821
Other liab.	7,947	29,713
Curr. Liabilities	$ 720,627	$ 461,813
Long-term debt	—	12,373
Deferred inc. taxes	16,700	7,700
+Common stock	310,163	303,663
Add. paid-in capital	340,433	310,789
Retained earnings	397,692	241,447
Total Liabilities & Shareholders' Equity	$ 1,785,615	$ 1,337,785

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.08	13.00
%Net Income to Sales	4.83	8.19
%Net Income to Equity	14.90	25.61
Sales to Inventories	6.46	8.39
Working Capital	$ 727,173	$529,029
Current Ratio	2.01	2.15
Shareholders' Equity	$1,048,288	$855,899

Diagnostic/Retrieval Systems, Inc.

16 Thornton Road
Oakland, New Jersey 07436
(201) 337-3800

Officers: Leonard Newman, chairman of the board, chief executive officer & secretary; David E. Gross, president & chief operating officer; Frank S. Allia, v.p.-operations; Michael J. Brienza, v.p.-engineering; Lawrence O. Diamond, v.p.-advanced systems; Jackson Kemper, Jr., v.p.-marketing; Mark S. Newman, v.p.-finance, treasurer, principal financial officer and accounting officer; Leroy T. Thayer, v.p.-contracts Jack R. Williams, v.p.-research and technology.

Directors: Leonard Newman, chairman; David E. Gross, Theodore Cohn, Jack Rachleff, Andrew J. Tunick.

Areas of Work: The Company designs, develops, manufactures and markets special purpose computer and display systems and high-density digital recording systems for use in anti-submarine warfare. These special purpose computer systems perform acoustic signal processing to detect, classify and locate submarines. The acoustic signal processing includes spectrum analysis, digital filtering and display. The company also produces digital recording systems for use in conjunction with its special purpose computers.

Transfer Agent(s):
Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRSI (NASDAQ)

Number of Employees:
1981 214

Plant Footage:
1981 . . . . . . 45,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1981	$ 14,960,843	$ 1,197,851
1980	10,063,098	456,627
1979	5,281,507	647,358
1978	2,867,834	(279,454)
1977	3,934,512	138,932

	No. of Com. Shares #	Earn. per Share #
1981	1,185,475	$ 1.01
1980	1,116,924	0.41
1979	1,114,500	0.58
1978	1,114,500	—
1977	1,113,876	0.12

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 5,372,138	$ 4.53
1980	1,427,466	1.28
1979	966,889	0.87
1978	319,531	0.29
1977	598,985	0.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Diagnostic/Retrieval Systems, Inc.

Income Account *

Year ended Mar. 31	1981	1980
Revenues	$ 14,960,843	$ 10,063,098
Cost of expenses	12,669,115	9,148,153
Interest expense	130,677	51,473
Interest income	(166,800)	(8,155)
Income before taxes	$ 2,327,851	$ 871,627
Income taxes	1,130,000	415,000
Net Income	$ 1,197,851	$ 456,627

* Included in Costs and Expenses, Depreciation and Amortization: $139,279 in 1981 and $92,792 in 1980.

Assets

As of Mar. 31	1981	1980
Cash & cert. of dep.	$ 2,795,127	$ 943,176
Accts. receiv., net	4,060,244	1,783,663
*Inventories	2,452,196	1,159,990
Prepaid expenses	80,582	31,775
Current Assets	$ 9,388,149	$ 3,918,604
#Fixed assets	893,270	224,307
Funds held by trustee	60,001	525,550
Other assets	93,611	128,047
Total Assets	$ 10,435,031	$ 4,796,508

Liabilities

	1981	1980
Long-term debt, curr.	$ 142,644	$ 149,443
Accts. payable	1,239,685	907,925
Accruals	878,925	285,519
Income taxes	2,013,386	883,386
Curr. Liabilities	$ 4,274,640	$ 2,226,273
Long-term debt	788,253	1,142,769
+Common stock	14,796	11,214
Add. paid-in capital	2,888,399	145,160
Retained earnings	2,468,943	1,271,092
Total Liabilities & Shareholders' Equity	$ 10,435,031	$ 4,796,508

* At actual cost.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	15.56	8.66
%Net Income to Sales	8.01	4.54
%Net Income to Equity	22.30	31.99
Sales to Inventories	6.10	8.68
Working Capital	$5,113,509	$1,692,331
Current Ratio	2.20	1.76
Shareholders' Equity	$5,372,138	$1,427,466

Di-An Controls, Inc.

944 Dorchester Avenue
Boston, Massachusetts 02125
(617) 288-7700

Officers: Robert D. Kodis, president & treasurer; James B. Marcus, vice president, general counsel, asst. treasurer & clerk.

Directors: Robert D. Kodis, James B. Marcus, Lawrence Rosenfeld, Peter Segal, Daniel Judge.

Areas of Work: Manufactures and services computer peripheral printers and data terminals used in on-track betting, entertainment ticketing, airline boarding and ticketing systems, and a variety of other commercial uses; label printers.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DICC (NASDAQ)

Plant Footage:

1981	72,000 sq. ft.	1978	72,000
1980	72,000	1977	72,000
1979	72,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 4,016,519	$ 85,515
1980	3,925,745	198,081
1979	2,853,381	(25,674)
1978	2,488,875	279,617
1977	2,556,128	306,127

	No. of Com. Shares	Earn. per Share #†
1981	826,405	$ 0.10
1980	825,405	0.24
1979	825,405	—
1978	825,405	0.34
1977	825,405	0.37

(Loss)
† Including extraordinary credits of $31,000 ($0.04 per share) in 1980, and $114,500 ($0.14 per share) in 1978.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,465,014	$ 1.77
1980	1,378,499	1.67
1979	1,180,418	1.43
1978	1,206,092	1.46
1977	926,475	1.12

Income Account *

Year ended Dec. 31	1981	1980
Net Sales	$ 4,016,519	$ 3,925,745
Other income	105,550	52,804
Total income	$ 4,122,069	$ 3,978,549
Cost of sales	3,313,542	3,149,872
Expenses	680,984	482,183
Interest expense	17,028	63,430
Income before taxes	$ 120,515	$ 283,081
Income taxes	35,000	116,000
Net Income	$ 85,515	$ 167,081
Extraord. credit	—	31,000
Net Income & extraord. credit	$ 85,515	$ 198,081

* Included in Costs and Expenses, Depreciation: $39,994 in 1981 and $38,708 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 26,011	$ 33,910
Short-term invest.	208,205	—
Accts. receiv., net	447,578	321,974
Refund. inc. taxes	81,363	—
Deferred inc. taxes	—	25,500
*Inventories	1,253,568	1,546,939
Prepaid expenses	28,455	10,816
Current Assets	$ 2,045,180	$ 1,939,139
#Fixed assets	167,176	180,523
Other assets	15,881	15,902
Total Assets	$ 2,228,237	$ 2,135,564

Liabilities

	1981	1980
Long-term debt, curr.	$ 14,372	$ 13,205
Accts. payable	168,859	294,984
Accruals	95,382	147,595
Accrued payroll	33,923	42,280
Customer deposits	289,248	31,404
Inc. taxes	49,869	101,655
Curr. Liabilities	$ 651,653	$ 631,123
Long-term debt	101,070	115,442
Def. income taxes	10,500	10,500
+Common stock	82,641	82,541
Add. paid-in capital	1,124,451	1,123,551
Retained earnings (Deficit)	257,922	172,407
Total Liabilities & Shareholders' Equity	$ 2,228,237	$ 2,135,564

* At lower of est. cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	3.00	7.21
%Net Income to Sales	2.13	4.26
%Net Income to Equity	5.84	12.12
Sales to Inventories	3.20	2.54
Working Capital	$1,393,527	$1,308,016
Current Ratio	3.14	3.07
Shareholders' Equity	$1,465,014	$1,378,499

DICOMED Corporation

9700 Newton Avenue South
Minneapolis, Minnesota 55431
(612) 887-7100

Officers: Wayne R. Huelskoetter, president; William J. Cosgriff, secretary; Ronald D. Cox, treasurer.

Directors: Frederick W. Lang, Frank C. Mullaney, George G. Walker, Jr., Wayne R. Huelskoetter, Willis K. Drake, Alan K. Ruvelson.

Areas of Work: Engaged in the development, design, production and marketing of digital image processing equipment, including image recorders, image display and image digitizer products.

Transfer Agent(s):

First Trust Company of St. Paul
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DCOM (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 7,400,095	$ 701,568
1980	5,400,047	362,416
1979	4,101,448	355,741
1978	2,177,532	(65,078)
1977	1,339,663	(121,891)

	No. of Com. Shares +	Earn. per Share #‡
1981	2,007,585	$ 0.44
1980	1,222,074	0.62
1979	754,807	0.46
1978	744,307	—
1977	722,433	—

(Loss)
‡ Including extraordinary gains of $216,000 ($0.24 per share) in 1980 and $83,000 ($0.11 per share) in 1979.
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-2§

§ Declared April 14, 1981.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,900,840	$ 4.93
1980	4,012,281	3.28
1979	635,606	0.84
1978	258,865	0.35
1977	297,851	0.41

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 7,400,095	$ 5,400,047
Cost of sales	4,111,472	3,019,613
Expenses	2,559,196	1,630,482
Interest expense (income)	(417,141)	109,536
Income before taxes	$ 1,146,568	$ 640,416
Income taxes	445,000	294,000
Net Income	$ 701,568	$ 346,416
Extraord. gain	—	216,000
Net Income & Extraord. gain	$ 701,568	$ 562,416

* Included in Costs and Expenses, Depreciation and Amortization: $88,575 in 1981 and $57,212 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 4,417,032	$ 2,214,358
Acct. receiv., net	2,422,877	1,457,137
*Inventories	3,195,011	1,465,084
Prepaid expenses & deposits	240,830	257,311
Current Assets	$ 10,275,750	$ 5,393,890
#Fixed assets	821,976	216,933
Other assets	—	57,766
Total Assets	$ 11,097,726	$ 5,668,589

Liabilities

	1981	1980
Long-term debt	$ —	$ 36,096
Accts. payable	565,369	517,492
Accrued payroll	240,336	179,827
Other liabilities	35,181	44,755
Income taxes	—	171,761
Def. inc. taxes	356,000	—
Curr. Liabilities	$ 1,196,886	$ 949,931
Long-term. debt	—	706,377
+ Common stock	60,228	36,662
Add. paid-in capital	9,529,492	4,366,067
Retained earnings (deficit)	311,120	(390,448)
Total Liabilities & Shareholders' Equity	$ 11,097,726	$ 5,668,589

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	15.49	11.86
%Net Income to Sales	9.48	6.42
%Net Income to Equity	7.09	8.63
Sales to Inventories	2.32	3.69
Working Capital	$9,078,864	$4,443,959
Current Ratio	8.59	5.68
Shareholders' Equity	$9,900,840	$4,012,281

Diebold, Incorporated

818 Mulberry Road S.E.
Canton, Ohio 44711
(216) 489-4000

Officers: Raymond Koontz, chairman of the board & chief exec. officer; Frank D. Robinson, vice chairman & chief administrative officer; Earl F. Wearstler, president & chief operating officer; Harry E. Parr, Jr., v.p.- finance & treasurer; Louis V. Bockius, v.p.-manufacturing; Michael J. Mokodean, v.p.-legal; Charles B. Scheurer, v.p.-employee relations; Harry O. Seitzinger, v.p., controller & asst. treasurer; M. Charee Francis, secretary; Raymond E. Shanabruch, asst. treasurer; Elwood C. Wilson, asst. secretary.

Directors: Louis V. Bockius, Daniel T. Carroll, Harry E. Parr, Jr., Donald R. Gant, Raymond Koontz, Frank D. Robinson, W.R. Timken, Earl F. Wearstler.

Areas of Work: Engaged in the manufacture, sale, installation and service of systems and equipment sold to financial institutions. The company's products include security systems which utilize video surveillance, drive-up installations, and automated teller machines and related software.

Divisions and Subsidiaries:

Diebold Bank/Systems Division
818 Mulberry Road, S.E.
Canton, Ohio 44711
(216) 489-4000

Bank/Systems Group
Automatic Banking Systems Group
Commercial Security Group
Electronics/Engineering Group
Electronics Security Group
Government Contracts Group
International Group
Technical Services & Installation Group
Management Information Services Group
Materials Management Group

The Diebold Company of Canada Limited
88 Big Bay Point Road
P.O. Box 877
Barrie, Ontario L4M 4Y6
Canada
(705) 737-1100

Transfer Agent(s):

Citibank,N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): New York

Ticker Symbol: DBD

Number of Employees:

1981	6,416	1978	5,650
1980	5,906	1977	5,196
1979	6,291		

Plant Footage:

1981	1,819,280 sq. ft	1978	2,006,770
1980	1,666,780	1977	1,935,999
1979	1,852,130		

Sales and Earnings

	Net Sales	Net Income
1981	$ 385,891,000	$ 29,036,000
1980	346,928,000	21,238,000
1979	305,195,543	18,160,732
1978	228,611,113	9,321,778
1977	190,517,585	4,840,619

	No. of Com. Shares ‡	Earn. per Share ‡
1981	8,612,000	$ 3.37
1980	8,569,000	2.48
1979	8,550,000	2.12
1978	8,550,000	1.09
1977	8,549,000	0.57

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 159,957,000	$ 18.55
1980	137,257,000	15.97
1979	119,226,858	13.94
1978	104,770,962	12.25
1977	98,577,056	11.53

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 385,891,000	$ 346,928,000
Cost of sales	266,599,000	243,072,000
Expenses	71,323,000	62,480,000
Oper. profit	$ 47,969,000	$ 41,376,000
Other income	9,991,000	1,561,000
Total	$ 57,960,000	$ 42,937,000
Interest expense	1,583,000	1,939,000
Debt disc. & exp.	30,000	30,000
Other charges	1,947,000	840,000
Income before taxes	$ 54,400,000	$ 40,128,000
Income taces	25,364,000	18,890,000
Net Income	$ 29,036,000	$ 21,238,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,893,000 in 1981 and $2,216,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 7,963,000	$ 11,592,000
Cert. of deposit	54,896,000	4,210,000
Notes receiv., other	1,000,000	700,000
Accts. receiv., net	79,758,000	86,733,000
Other receiv.	2,343,000	7,147,000
*Inventories & contracts in process	45,171,000	58,237,000
Prepaid expense	1,519,000	1,969,000
Current Assets	$ 192,650,000	$ 170,588,000
Investments	4,016,000	4,016,000
Notes receiv.	1,862,000	3,285,000
#Fixed assets	35,526,000	19,305,000
Intangibles	2,583,000	2,480,000
Total Assets	$ 236,637,000	$ 199,674,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 2,460,000	$ 2,460,000
Accts. payable	15,532,000	9,150,000
Deferred income taxes	7,206,000	8,071,000
Income taxes	7,295,000	—
Accruals	23,133,000	21,370,000
Dividends payable	1,725,000	—
Curr. Liabilities	$ 57,351,000	$ 41,051,000
Long-term debt	17,030,000	19,490,000
Deferred inc. taxes	2,299,000	1,876,000
+ Common stock	18,060,000	14,089,000
Add. paid-in capital	63,507,000	67,095,000
Retained earnings	78,455,000	56,167,000
Less treasury stock	(65,000)	(94,000)
Total Liabilities & Shareholders' Equity	$ 236,637,000	$ 199,674,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.25 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	14.10	11.57
%Net Income to Sales	7.52	6.12
%Net Income to Equity	18.15	15.47
Sales to Inventories	8.54	5.96
Working Capital	$135,299,000	$129,537,000
Current Ratio	3.36	4.16
Shareholders' Equity	$159,957,000	$137,257,000

Digi-Log Systems, Inc.

1370 Welsh Road
Montgomeryville, Pennsylvania 18936
(215) 628-4530

Officers: Ronald G. Moyer, chairman of the board & president; Thomas M. Emory, Jr., v.p.-technology & secretary; Robert F. Onraet, v.p.-finance; Mark R. Jolliffe, v.p.-manufacturing; Roy D. Gemberling, v.p. & gen. mgr.-Network Control Division.

Directors: Ronald G. Moyer, Thomas M. Emory, Jr., Peter Taraborelli, Ross C. Gwinner, L. John Ankney.

Areas of Work: Develops, manufactures and markets a standard product line of video display data communications and diagnostic test equipment for industrial, commercial, and institutional end users; and customized intelligent programmable data terminals under contract to other original equipment manufacturers or systems users.

Subsidiary:

D.E.C. Electronic Corporation
Engaged in the manufacture of printed circuit boards.

Transfer Agent(s):

Industrial Valley Bank and Trust Company
634 Hamilton Mall
Allentown, Pennsylvania 18101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DILO (NASDAQ)

Plant Footage:

1981	73,500 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 7,094,169	$ 32,291
1980	8,365,529	680,863
1979	5,120,717	(56,617)
1978	5,255,876	533,111
1977	4,518,707	651,242

	No. of Com. Shares	Earn. per Share# ‡
1981	1,548,162	$ 0.02
1980	1,374,474	0.50
1979	1,179,376	—
1978	1,184,615	0.45
1977	1,113,139	0.59

(Loss)
‡ Including extraordinary gains of $97,875 ($0.08 per share) in 1978 and $298,200 ($0.27 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	25% & 20%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 6,790,814	$ 4.39
1980	2,363,133	1.72
1979	1,677,520	1.42
1978	1,755,044	1.48

‡ Based on the weighted average number of common shares and common share equivalents outstanding to reflect stock dividends.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 7,094,169	$ 8,365,529
Other income	468,299	125,291
Total income	$ 7,562,468	$ 8,490,820
Cost of sales	3,849,428	5,158,266
Selling expenses	1,553,444	1,290,636
Gen. & adm. expenses	743,085	543,482
Research & develop. costs	879,466	611,524
Interest expense	40,131	68,049
Income before taxes	$ 10,591	$ 818,863
Income taxes (credit)	(21,700)	138,000
Net Income	$ 32,291	$ 680,863

* Included in Costs and Expenses, Depreciation and Amortization: $267,571 in 1981 and $243,470 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 528,920	$ 364,683
Short-term investments	2,519,882	—
Accts. receiv., net	774,675	2,128,813
Notes receivable curr.	150,000	—
Insurance claim receiv.	1,847,100	—
*Inventories	1,594,891	1,447,900
Prepaid expenses	73,137	137,536
Other curr. assets	128,504	23,167
Current Assets	$ 7,617,109	$ 4,102,099
Notes receiv., non curr.	585,932	171,445
Investments	20,250	18,750
#Fixed assets	744,693	897,563
Other assets	5,481	—
Total Assets	$ 8,973,465	$ 5,189,859

Liabilities

	1981	1980
Notes payable	$ —	$ 118,000
Long-term debt, curr.	135,000	45,000
Accts. payable	1,152,043	671,387
Accruals	748,561	268,227
Cap. lease oblig., curr.	13,774	11,313
Income taxes payable	7,965	—
Deferred inc. taxes	83,440	124,040
Curr. Liabilities	$ 2,140,783	$ 1,237,967
Long-term debt	—	1,535,000
Cap. lease oblig.	39,968	53,759
+Common stock	15,698	12,114
Add. paid-in capital	5,957,875	1,568,322
Warrants	150	—
Retained earnings	923,935	891,644
Treasury stock	(31,861)	(32,464)
Unrealized loss on invest.	(74,983)	(76,483)
Total Liabilities & Shareholders' Equity	$ 8,973,465	$ 5,189,859

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	0.16	9.79
%Net Income to Sales	0.46	8.14
%Net Income to Equity	0.48	28.81
Sales to Inventories	4.45	5.78
Working Capital	$5,476,326	$2,864,132
Current Ratio	3.56	3.31
Shareholders' Equity	$6,790,814	$2,363,133

Digital Equipment Corporation

146 Main Street
Maynard, Massachusetts 01754
(617) 897-5111

Officers: Kenneth H. Olsen, president; C. Gordon Bell, v.p.-office of development/engineering; Alfred M. Bertocchi, v.p.-finance & administration; Roger C. Cady, v.p.-manufacturing, distribution & control products group;George A. Chamberlain, III, v.p. & treasurer; Richard J. Clayton, v.p.-manufacturing technology; Henry J. Crouse, v.p.-external resources; James G. Cudmore, v.p., LSI group manager; Sheldon A. Davis, v.p.-personnel; William R. Demmer, v.p.-32-Bit Systems Engineering; Ulf O. Fagerquist, v.p.-large systems engineering; Pier-Carlo Falotti, v.p.-European field service; William C. Hanson, v.p.-systems manufacturing; Winston R. Hindle, Jr., v.p.-corporate operations; Irwin Jacobs, v.p.-commercial OEM group; Theodore G. Johnson, v.p.-corp. marketing; Andrew C. Knowles, III, Seaforth M. Lyle, Ward D. MacKenzie, Julius L. Marcus, Stanley C. Olsen, John J. Shields, v.p.'s & group managers; Edward A. Kramer, v.p.-U.S. sales; William H. Long, v.p.-sales & international area sales; Albert E. Mullin, Jr., v.p.-corp. relations; Jean-Clude Peterschmitt, v.p.-Europe; Lawrence J. Portner, v.p., associate head-engineering; Richard W. Puffer, III,v.p.-mass storage manufacturing; F. Grant Saviers, v.p.-storage systems engineering; Edward A. Schwartz, v.p., general counsel & secretary; Godfrey S. Shingles, v.p.-European marketing; John F. Smith, v.p.-manufacturing; William R. Thompson, v.p. & controller; William G. Whitmore, v.p.-general international area.

Directors: Vernon R. Alden, Arnaud de Vitry, Kenneth H. Olsen, Dorothy E. Rowe, William H. McLean, Georges F. Doriot, Philip Caldwell.

Areas of Work: Designs, manufactures, sells and services computers and associated peripheral equipment, and related software and supplies. The Company's products are used world-wide in a variety of applications and programs, including scientific research and computation, communications, education, data analysis, industrial control systems, time sharing systems, commercial processing systems, health care, instrumentation, engineering and simulation.

Subsidiaries:

Digital Equipment, S.A. de C.V.
Apartado Postal 12-1009
Mexico 12, D.F.

Digital Equipment Corporation Oy.
Soukantie 14
SF-02360 Sourra, Finland

Digital Equipment Comercio e Industria, Ltda.
Avenida Augusto Severo, 156-B
Lapa ZC06
20,000 Rio de Janeiro-Guanabara
Brazil

Computer Insurance Company Limited
Old Colony Insurance Ltd.
Reid House, P.O. Box 1826
Hamilton, 5-24 Bermuda

Digital Computer Hong Kong Limited
71, Catchick Street
13th floor, Green Island House
Kennedy Town, Hong Kong

Digital Computer Taiwan Limited
Taiwan, Republic of China

Digital Equipment Ireland Limited
Republic of Ireland

Digital Equipment Scotland Limited
Shiel House, Craigshill
G-B Livingston, West Lothian
Scotland

Digital Equipment B.V.
Digital Equipment International B.V.
KAAP Horndreef 38
P.O. Box 9064
Utrecht, Holland

Digital Equipment N.V.S.A.
108 Rue D'Arlon
B-1040 Bruxelles, Belgium

Digital Incorporated
Digital International Sales Corporation
DEC Ltd.
7 Habakuk Street
Tel Aviv, Israel

Digital Equipment Corporation International (Europe)
12, avenue des Morgines
Case Postale 510
1213 Petit-Lancy 1, Geneva
Switzerland

Digital Equipment Corp. A/S
Tonheimsveien 47
N-Oslo 5, Norway

Digital Equipment Corporation Ges. m.b.H.
Mariahilferstrasse 136
A-1150 Wien 15, Austria

Digital Equipment New Zealand, Limited
Suite 18, Hilton House
430 Queen Street
P.O. Box 2471
Auckland, New Zealand

Digital Equipment Taiwan Limited
13-2 Nan Hsin Li, Tachi
Taoyuan, Taiwan
Republic of China

Digital Equipment Corporation ApS
Hellerupvej 66
DK-2900 Helleup, Denmark

Digital Equipment of Canada Ltd.
100 Herzberg Road
Kanata, Ontario, Canada
(613) 592-5111

Digital Equipment International GmBH
Digital Equipment GmBH
D-8000 Munich 40
Wallensteinplatz 2, West Germany

Digital Equipment Australia Pty. Ltd.
123-125 Willoughby Road
P.O. Box 491-Crows Nest
New South Wales 2065, Australia

Digital Equipment Co. Limited
Fountain House, Butts Centre
Reading Berkshire RG 17 QN
United Kingdom

Digital Equipment France S.A.R.L.
2 Place Gustave Eiffel
Cidex L225
18, Rue Saarinen
94 533 Rungis, France

Digital Equipment AB
Englundsvaagen 7
S-17141 Solna, Sweden

Digital Equipment Corporation de Puerto Rico
P.O. Box 106
San German, Puerto Rico 00753
(809) 892-1946

Digital Equipment S.p.A.
Coso Garibaldi 49
1-20121 Milano, Italy

Digital Equipment International Limited
Switzerland

Digital Equipment Corp. S.A.
20. Quai Ernest Ansermet
Boite Postale 23
CH-1211 Geneva 8, Switzerland

Digital Equipment Corporation International
Maynard Massachusetts

Digital Equipment Panama, Inc.
Digital Equipment Trinidad, Inc.
Digital Equipment Services, Inc.
Digital Growth, Inc.
Digital Realty Limited
Digital Equipment Singapore (PTE) Limited

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Boston*, Philadelphia*, Midwest*, Pacific, Cincinnati*

*Unlisted trading privileges.

Ticker Symbol: DEC

Number of Employees:

1981	63,000	1978	37,500
1980	55,600	1977	30,500
1979	41,500		

Plant Footage:

1981	13,000,000 sq.ft.	1978	10,100,000
1980	11,100,000	1977	8,000,000
1979	10,800,000		

Sales and Earnings

	Net Sales # (000's)	Net Income (000's)
1981	$ 3,198,099	$ 343,297
1980	2,368,045	249,861
1979	1,804,092	178,434
1978	1,436,562	142,189
1977	1,058,614	108,500

	No. of Com. Shares ‡	Earn. per Share ‡
1981	52,600	$ 6.70
1980	47.200	5.45
1979	44,900	4.10
1978	43,200	3.40
1977	38,991	2.78

‡ Based on the average number of shares outstanding adjusted to reflect stock split.
# Includes services and other revenues.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	3-for-1

Common Stock Equity
(000's)

	Total Equity (000's)	Equity Per Share ‡
1981	$ 2,679,689	$ 49.31
1980	1,651,749	36.25
1979	1,120,236	27.59
1978	904,758	22.69
1977	735,463	18.73

‡ Based on weighted average number of common shares and common share equivalents adjusted to reflect stock split.

Income Account *
(000's)

Year ended	6/27/81	6/28/80
Net sales	$ 2,384,236	$ 1,779,466
Other income	813,863	588,579
Total revenues	$ 3,198,099	$ 2,368,045
Cost of sales	1,778,663	1,319,912
Expenses	883,376	665,359
Interest expense	29,265	26,996
Interest income	(60,638)	(53,829)
Income before taxes	$ 567,433	$ 409,607
Income taxes	224,136	159,746
Net Income	$ 343,297	$ 249,861

*Included in Costs and Expenses, Depreciation: $102,139 in 1981 and $69,809,000 in 1980.

Assets
(000's)

As of	6/27/81	6/28/80
Cash & temp. cash invest.	$ 665,582	$ 616,286
Accts. receiv. net	758,109	629,063
*Inventories	1,102,248	819,924
Prepaid expenses	40,844	30,646
Deferred taxes	89,790	40,693
Current Assets	$ 2,656,573	$ 2,136,612
# Fixed assets	799,499	529,456
Total Assets	$ 3,456,072	$ 2,666,068

Liabilities
(000's)

Loans payable	$ 8,229	$ 7,555
Long-term debt, curr.	1,091	1,035
Accts. payable	113,135	103,104
Accrued payroll	102,663	85,925
Def. rev. & adv.	79,148	69,770
Income taxes	276,422	153,518
Other liabilities	46,114	57,489
Curr. Liabilities	$ 626,802	$ 478,396
Long-term debt	88,432	489,722
Deferred inc. taxes	61,149	46,201
+ Common stock	54,348	45,569
Add. paid-in capital	1,350,974	675,110
Retained earnings	1,274,367	931,070
Total Liabilities & Shareholders' Equity	$ 3,456,072	$ 2,666,068

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	23.80	17.30
%Net Income to Revenues	14.40	10.55
%Net Income to Equity	12.81	15.13
Working Capital	$2,029,771,000	$1,658,216,000
Current Ratio	4.24	4.47
Shareholders' Equity	$2,679,689,000	$1,651,749,000

Diodes Incorporated

8900 Winnetka Avenue
Northridge, California 91324
(213) 998-4445

Officers: W. Loyd, president, treasurer & chairman of the board; C.A. Benak, vice president & secretary; Gerhard J. Borner, A.F. Ottobre, Jack Willis, v.p.'s.

Directors: Wilbert Lloyd, chairman; C.A. Benak, Jack Willis, Gerhard J. Borner, A.F. Ottobre, Ted G. Slate.

Areas of Work: Manufactures electronic semiconductor devices, including silicon rectifiers and rectifier assemblies.

Divisions and Subsidiaries:

Power Components Division
Northridge, California 91324
(213) 882-6992

Atlantic Semiconductor Division
Northridge, California 91324
(213) 882-4920

Diodes Sales Division
Northridge, California 91324
(213) 882-4920

Nanticoke Semiconductor Division
Northridge, California 91324
(213) 882-3514

Rectifiers Division
Northridge, California 91324
(213) 82-7030

Windsor Semiconductor Division
Northridge, California 91324
(213) 882-7030

Diodes International Sales Corporation (DISC)
8900 Winnetka Avenue
Northridge, California 91324
(213) 998-4427

Diodes Incorporated

Diodes Limited
16, The Broadway
Newbury, Berkshire, England

Diomex S.A.
Mexicali
Baja California, Mexico

Rectificedores, S.A.
Mexicali
Baja, California
Mexico

Transfer Agent(s):
Continental Stock Transfer &
& Trust Company

Stock Exchange(s): American

Ticker Symbol: DIO

Number of Employees:

1980	411	1977	343
1979	407	1976	298
1978	403		

Plant Footage:

1980	62,625 sq. ft.	1977	50,900
1979	62,525	1976	46,700
1978	51,250		

Sales and Earnings

	Net Sales	Net Income ‡
1980	$ 4,829,890	$ (525,653)
1979	5,319,855	79,404
1978	4,983,808	153,774
1977	4,037,706	(41,687)
1976	3,126,097	(729,848)

	No. of Com. Shares	Earn. per Share +‡
1980	1,846,076	$ —
1979	1,846,076	0.04
1978	1,846,076	0.08
1977	1,846,076	—
1976	1,846,226	—

(Loss)
‡ Including extraordinary gains of $30,800 ($0.01 per share) in 1979 and $68,700 ($0.03 per share) in 1978.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 1,913,137	$1.04
1979	2,438,790	1.32
1978	2,359,386	1.28
1977	2,205,612	1.19
1976	2,236,640	1.21

Income Account *

Year ended April 30	1980	1979
Net sales	$ 4,829,890	$ 5,319,855
Other income	31,026	13,911
Total Income	$ 4,860,916	$ 5,333,766
Cost of sales	4,368,594	4,323,625
Expenses	932,963	877,352
Interest expense	72,718	29,855
Income (loss) before taxes	$ (513,359)	$ 102,934
Income taxes	12,294	54,330
Net Income (Loss)	$ (525,653)	$ 48,604
Extraordinary gain	—	30,800
Net Income (Loss) & extraord. gain	$ (525,653)	$ 79,404

*Included in Costs and Expenses, Depreciation and Amortization: $151,834 in 1980 and $173,535 in 1979.

Assets

As of April 30	1980	1979
Cash	$ 75,885	$ 99,140
Invest. in KDI Corp.	552,346	—
Accts. receiv., net	812,296	822,363
*Inventories	745,320	654,122
Prepaid expenses	60,065	29,161
Current Assets	$ 2,245,912	$ 1,604,786
Invest. in KDI Corp.	—	552,346
# Fixed assets	825,843	891,002
Intangibles	4,608	6,911
Receiv. from off. & emp.	47,348	42,865
Total Assets	$ 3,123,711	$ 3,097,910

Liabilities

Notes payable	$ 453,314	$ 101,870
Long-term debt, curr.	22,747	21,133
Accts. payable & accruals	547,955	333,211
Income taxes	14,778	16,858
Other taxes	72,405	63,926
Curr. Liabilities	$ 1,111,199	$ 536, 998
Long-term debt	99,375	122,122
+ Common stock	1,282,685	1,282,685
Add. paid-in capital	272,172	272,172
Retained earnings	524,453	1,050,106
Treasury stock	(166,173)	(166,173)
Total Liabilities & Shareholders' Equity	$ 3,123,711	$ 3,097,910

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.93
%Net Income to Sales	—	0.91
%Net Income to Equity	—	1.99
Sales to Inventories	6.48	8.13
Working Capital	$ 1,134,713	$ 1,067,788
Current Ratio	2.02	2.99
Shareholders' Equity	$ 1,913,137	$ 2,438,790

Dionics, Inc.

65 Rushmore Street
Westbury, New York 11590
(516) 997-7474

Officers: Bernard L. Kravitz, president; Sherman Gross, v.p., secretary & treasurer, Hugo Colombi, v.p.-mfg.

Directors: Bernard L. Kravitz, Sherman Gross, Gregory Coleman, Sidney M. Gross, Solomon Berkowitz, H. Frederick Johnston, Hans W. Lange.

Areas of Work: Engaged in the development, manufacture and marketing of high-voltage integrated circuits used for driving gas discharge digital displays.

Subsidiary:
Dionics International, Inc. (DISC)
Manufactures discrete and integrated circuit electronic components, in chip or packaged form.

Transfer Agent(s):
Schroder Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	65

Plant Footage:

1980	11,000 sq.ft.

Sales and Earnings

	Net Sales	Net Income #
1981	$ 3,395,100	$ 452,800
1980	2,204,200	(201,600)
1979	2,438,600	62,300
1978	1,849,500	(230,600)
1977	1,090,000	(516,800)

	No. of Com. Shares +	Earn. per Share # +
1981	887,390	$ 0.51
1980	742,125	—
1979	733,813	0.08
1978	733,813	—
1977	701,000	—

(Loss)
# Including extraordinary gain of $17,200 ($0.03 per share) in 1979.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividents and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 1,016,500	$ 1.15
1980	549,600	0.74
1979	522,300	0.71
1978	460,000	0.63
1977	690,600	0.99

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 2,204,200	$ 2,438,600
Cost of sales	1,813,200	1,669,900
Expenses	556,000	632,600
Doubtful accts.	7,800	19,600
Interest expense	95,600	85,600
Other income	(71,800)	(31,400)
Income (Loss) before taxes	(201,600)	62,300
Income taxes	$ —	$ 17,200
Net income (Loss)	(201,600)	45,100
Extraord. gain	$ —	$ 17,200
Net Income (Loss) & Extraord. gain	(201,600)	62,300

* Included in Costs, and Expenses, Depreciation: 98,500 in 1980 and 138,200 in 1979.

Assets

As of Dec. 31	1980	1979
Cash	$ 481,600	$ 378,000
Accts. receiv., net	322,700	319,100
* Inventories	314,900	259,700
Other curr. assets	20,600	24,400
Current Assets	$ 1,139,800	$ 981,200
# Fixed assets	551,400	531,200
Deposits & other assets	5,100	4,400
Total Assets	$ 1,696,300	$ 1,516,800

Liabilities

Accts. payable & accruals	$ 366,400	$ 350,100

Short-term bank loan payable	335,000	275,000
Long-term debt, curr.	115,500	105,200
Curr. Liabilities	$ 816,900	$ 730,300
Long-term debt	329,800	264,200
+ Common stock	6,500	5,900
Add. paid-in capital	1,295,500	1,067,200
Deficit	(752,400)	(550,800)
Total Liabilities & Shareholders' Equity	$ 549,600	$ 522,300

Statistical Summary

%Income bef. Taxes to Sales	—	2.55
%Net Income to Sales	—	1.85
%Net Income to Equity	—	8.63
Sales to Inventories	7.00	9.39
Working Capital	322,900	250,900
Current Ratio	1.40	1.34
Shareholders' Equity	549,600	522,300

Docutel Corporation

(20% owned by Ing. C. Olivetti and C. S.p.A.)

106 Decker Drive, Las Colinas
Irving, Texas 75062
(214) 258-8610

Mailing Address:

P.O. Box 222306
Dallas, Texas 75222

Officers: B.J. Meredith, chairman of the board and chief executive officer; George Saterson, president and chief operating officer; N.A. Stuart, executive vice president; William W. Gentry, Gerald W. Irion, James Lorence, B.J. Turner, Frank R. Marlow, v.p.'s; Valda C. Johnson, v.p. & treasurer.

Directors: George C. Briggs, B.J. Meredith, Emmett R. DeMoss, Jr., P. Michael Wells, Elserino M. Piol.

Areas of Work: Develops and manufactures automated financial transaction systems of which the principal products are the Docuteller, an automated currency dispensing machine, and the Total Teller, an automated machine performing most of the routine tasks of a bank teller. Markets Olivetti teller terminals and financial systems. Also engaged in the manufacture and sale of knit sweaters and shirts through its Pine State Knitwear subsidiary.

Division:

Docutel/Olivetti Financial Systems
219 East 42nd Street
New York, New York 10017
(212) 599-4030

Transfer Agent(s):

Allied Bank of Texas
P.O. Box 3326
Houston, Texas 77001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DCTL (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 77,031,000	$ 6,966,000
1980	53,278,000	4,716,000
1979	34,880,000	4,247,000
1978	33,952,951	2,875,709
1977	25,314,514	(8,255,702)

	No. of Com. Shares ‡ #	Earn. per Share ‡ #
1981	4,128,000	$ 1.69
1980	3,383,000	1.39
1979	3,204,000	1.33
1978	3,204,000	0.90
1977	3,204,000	—

(Loss)

+ Of continuing operations: includes service revenues.

‡ Including extraordinary credits of $890,000 ($0.26 per share) in 1980, $1,889,000 ($0.59 per share) in 1979 and $1,204,852 ($0.38 per share) in 1978.

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	5-for-4‡

‡ Declared Jauary 28, 1981.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 57,658,000	$ 12.85
1980	26,706,000	7.77
1979	19,134,000	5.97
1978	14,886,158	4.65
1977	12,010,449	3.75

Income Account *

Year ended Dec. 31	1981	1980
Net sales & services	$ 77,031,000	$ 53,278,000
Cost of sales & serv.	47,461,000	34,944,000
Expenses	18,965,000	11,452,000
Other (income) expense	(1,490,000)	365,000
Income bef. taxes	$ 12,095,000	$ 6,517,000
Income taxes	5,129,000	2,691,000
Net Income	$ 6,966,000	$ 3,826,000
Extraord. credit	—	890,000
Net Income & Extraord. Credit	$ 6,966,000	$ 4,716,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,322,000 in 1981 and $689,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & cash equivalents	$ 22,575,000	$ 7,297,000
Accts. receiv., net	23,010,000	8,261,000
*Inventories	16,480,000	17,452,000
Prepaid expenses	313,000	395,000
Curr. Assets	$ 62,378,000	$ 33,405,000
#Fixed assets	7,394,000	4,334,000
Purchased software	2,322,000	—
Other assets	955,000	649,000
Total Assets	$ 73,049,000	$ 38,388,000

Liabilities

Long-term debt, curr.	$ —	$ 720,000
Accts. payable	6,544,000	2,877,000
Accruals	3,712,000	1,867,000
Inc. taxes pay.	2,887,000	1,603,000
Adv. from affil.	1,124,000	—
Cust. adv.	692,000	901,000
Curr. Liabilities	$ 14,959,000	$ 7,968,000
Long-term debt	—	3,420,000
Deferred income taxes	432,000	294,000
+ Common stock	449,000	275,000
Add. paid-in capital	47,240,000	23,428,000
Retained earnings (deficit)	9,969,000	3,003,000
Total Liabilities & Shareholders' Equity	$ 73,049,000	$ 38,388,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales & Services	15.70	12.23
%Net Income to Sales Services	9.04	7.18
%Net Income to Equity	12.08	14.33
Working Capital	$47,419,000	$25,437,000
Current Ratio	4.17	4.19
Shareholders' Equity	$56,658,000	$26,706,000

Dranetz Engineering Laboratories, Inc.

1000 New Durham Road
Edison, New Jersey 08818
(201) 287-3680

Officers: Abraham I. Dranetz, chairman of the board and president; Irving Backinoff, sr. v.p.; Ezra Mintz, Anthony W. Orlacchio, Robert O. Wilson, vice presidents; Benjamin Weiner, secretary; John T. Lawler, treasurer.

Directors: Abraham I. Dranetz, chairman; Irving Backinoff, Marianna Dranetz, Ezra Mintz, Benjamin Weiner.

Areas of Work: Engaged in the conception, design, development, manufacture and marketing of precision electronic instrumentation for use in a variety of commercial, industrial, and governmental applications. Specific product areas include test equipment for phase angle measurement, test instrumentation for electric utilities, and power line monitoring equipment for data processing, communications, etc.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRAN (NASDAQ)

Number of Employees:

1981	214	1978	182
1980	219	1977	155
1979	219		

Plant Footage:

1981	75,000 sq. ft.	1978	22,000
1980	75,000	1977	15,000
1979	75,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 16,408,160	$ 1,943,105
1980	15,562,406	2,082,188
1979	12,007,333	1,662,560
1978	8,400,593	1,110,156
1977	6,467,670	794,763

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,063,442	$ 0.94
1980	2,048,543	1.02
1979	2,033,363	0.82
1978	2,006,700	0.55
1977	1,951,686	0.41

+ Includes other income.

‡ Based on weighted average number of shares outstanding, adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.75	—	—
1980	0.05	50%	—
1979	0.03	—	—
1978	0.03	100%	—

+ Adjusted to reflect stock dividends.

Dranetz Engineering Laboratories, Inc.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 8,120,875	$ 3.94
1980	6,299,551	3.08
1979	4,306,251	2.12
1978	2,702,682	1.35
1977	1,646,641	0.86

‡ Based on weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 16,012,807	$ 15,325,901
Other income	395,353	236,505
Total income	$ 16,408,160	$ 15,562,406
Cost of sales	8,812,771	7,989,422
Expenses	3,860,803	3,487,934
Income before taxes	$ 3,734,586	$ 4,085,050
Income taxes	1,791,481	2,002,862
Net Income	$ 1,943,105	$ 2,082,188

* Included in Costs and Expenses, Depreciation and Amortization: $181,010 in 1981 and $128,690 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 266,863	$ 160,168
Investments	1,542,127	2,135,394
Accts. receiv., net	2,813,301	2,077,046
*Inventories	4,186,227	2,686,222
Prepaid expenses	68,903	23,285
Current Assets	$ 8,877,421	$ 7,082,115
#Fixed assets	744,226	659,579
Other assets	394,469	380,395
Total Assets	$ 10,016,116	$ 8,122,089

Liabilities

	1981	1980
Accts. payable	$ 405,217	$ 301,776
Accruals	675,354	381,226
Accrued inc. taxes	103,061	548,957
Mortgage payable	17,904	16,780
Notes payable, curr.	15,207	13,362
Curr. Liabilities	$ 1,216,743	$ 1,262,101
Notes payable	38,758	53,965
Mortgage payable	147,125	165,029
Deferred inc. taxes	492,615	341,443
+Common stock	207,055	205,634
Add. paid-in capital	635,100	602,943
Retained earnings	7,278,720	5,490,974
Total Liabilities & Shareholders' Equity	$ 10,016,116	$ 8,122,089

* At lower of cost (FIFO) or market.
# Less accumulated depreciation
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income before Taxes to Sales	23.32	26.65
%Net Income to Sales	12.13	13.59
%Net Income to Equity	23.93	33.05
Sales to Inventories	3.83	5.71
Working Capital	$7,660,678	$5,820,014
Current Ratio	7.30	5.61
Shareholders' Equity	$8,120,875	$6,299,551

Drexler Technology Corporation

2557 Charleston Road
Mountain View, California 94043
(415) 969-7277

Officers: Jerome Drexler, chairman of the board & president; Wayne R. Lundberg, exec. v.p.; Craig L. Evans, v.p.-finance, chief financial officer, controller & treasurer; Jerald E. Rosenblum, secretary.

Directors: Jerome Drexler, chairman; Joseph B. Arnold, Eugene Kleiner, William E. McKenna, Wayne R. Lundberg.

Areas of Work: Supplies microimaging products and services to semiconductor, computer, and electronics industries. Products include photoplates, photomasks, photochemicals, and related equipment for integrated circuit manufacture; and optical memory discs for laser recording and archival data storage, high-density data storage materials for computer optical memories.

Subsidiaries:

Microfab Systems Corporation
3960 Fabian Way
Palo Alto, California 94303
(415) 965-1750

Precision Photoglass, Inc.
2557 Charleston Road
Mountain View, California 94043
(415) 961-0700

Precision Photoglass, Inc. (International)
2557 Charleston Road
Mountain View, California 94043
(415) 961-0700

Transfer Agent(s):

Crocker National Bank
P.O. Box 38005
Rincon Annex
San Francisco, California 94138

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRXR (NASDAQ)

Number of Employees:

1981	174	1978	145
1980	183	1977	147
1979	153	1976	128

Plant Footage:

1981 . . . . . . 86,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 14,612,000	$ 1,592,000
1980	16,835,800	1,296,679
1979	14,169,156	886,733
1978	11,689,003	701,477
1977	10,329,245	421,370

	No. of Com. Shares #	Earn. per Share #
1981	1,676,000	$0.95
1980	1,503,520	0.86
1979	1,481,583	0.60
1978	1,444,395	0.48
1977	1,392,884	0.30

(Loss)
# Based on the weighted average number of shares outstanding during the year.

Revenues By Line of Business

	1981	1980	1979	1978
Photoplates & photochemicals	54%	65%	71%	70%
Photomasks	46	35	29	30
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 20,394,000	$12.17
1980	5,345,437	3.56
1979	3,781,582	2.55
1978	2,721,514	1.88
1977	2,040,147	1.46

# Based on the weighted average number of shares outstanding during the year.

Income Account *

Year ended	3/27/81	3/28/80
Net sales	$ 14,612,000	$ 16,835,800
Cost of sales	10,413,000	12,174,688
Expenses	2,174,000	2,187,908
Interest expense	—	6,236
Other income	(890,000)	(123,211)
Income before taxes	$ 2,915,000	$ 2,590,179
Income taxes	1,323,000	1,293,500
Net Income	$ 1,592,000	$ 1,296,679

* Included in Costs and Expenses, Depreciation and Amortization: $542,000 in 1980 and $462,480 in 1979.

Assets

As of	3/27/81	3/28/80
Cash	$ 14,763,000	$ 1,766,537
Accts. receiv., net	2,063,000	2,499,939
* Inventories	2,164,000	1,654,305
Other assets	40,000	74,083
Def. tax benefits	150,000	189,200
Interest receiv.	362,000	51,645
Current Assets	$ 19,542,000	$ 6,235,709
# Fixed assets	2,137,000	1,562,673
Other assets	246,000	17,488
Total Assets	$ 21,925,000	$ 7,815,870

Liabilities

	3/27/81	3/28/80
Accts. payable	$ 660,000	$ 964,056
Accruals	500,000	823,793
Income taxes	67,000	357,984
Current Liabilities	$ 1,227,000	$ 2,145,833
Deferred inc. taxes	304,000	324,600
+ Common stock	15,298,000	1,841,742
Retained earnings	5,096,000	3,503,695
Total Liabilities & Shareholders' Equity	$ 21,925,000	$ 7,815,870

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	3/27/81	3/28/80
%Income bef. Taxes to Sales	19.95	15.38
%Net Income to Sales	10.90	7.70
%Net Income to Equity	7.81	24.26
Sales to Inventories	6.75	10.18
Working Capital	$ 18,315,000	$ 4,089,876
Current Ratio	15.93	2.91
Shareholders' Equity	$ 20,394,000	$ 5,345,437

Dual-Lite, Inc.

63 South Main Street
Newtown, Connecticut 06470
(203) 426-8021

Officers: Stephen J. Ziff, president & chief exec. officer; Edward J. Musbach, v.p.-U.S. Emergency Lighting Div.; Randall Klein, v.p.-New England Circuits; Peter Insalaco, v.p.-material control; Gaston Allard, v.p.-Canadian operations; James Carson, v.p.-marketing; Richard Sieron, v.p.-research & development; Paul Suprono, v.p.-wiring products division; William Luca, v.p.-finance.

Directors: Stephen J. Ziff, Seymour J. Ziff, John Westergaard, Gerald Fahringer.

Areas of Work: Engaged in the development and manufacture of emergency lighting and power equipment. Also produces wiring products, non-residential lighting fixtures, and printed circuit boards.

Divisions:

Emergency Lighting Divison
Wiring Products Division

Subsidiaries:

Dual-Lite Products, Ltd.
9345 Pascal Gagnon
St. Leonard, Quebec, H1P 1Z4
Canada
(514) 326-8000

Dual-Lite Caribe, Inc.
P.O. Box 1917 Ceramica Annex
Carolina, Puerto Rico 00630
(809) 762-8316

Dual-Lite of Puerto Rico
P.O. Box 1917 Ceramica Annex
Carolina, Puerto Rico 00630
(809) 762-8316

New England Circuits, Inc.
Columbus Circle
Congress Park
Merrimack, New Hampshire 03054
(603) 424-4747

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DUAL (NASDAQ)

Number of Employees:

1980	690	1977	406
1979	690	1976	312
1978	693		

Plant Footage:

1980	293,000 sq. ft.	1977	156,400
1979	233,000	1976	128,200
1978	318,400		

Sales and Earnings

	Net Sales +	Net Income
1980	$ 37,455,944	$ 1,079,279
1979	32,474,906	1,881,970
1978	23,549,489	3,535,755
1977	19,546,882	3,047,603
1976	16,704,080	2,631,783

	No. of Com. Shares	Earn. per Share ×
1980	2,264,609	$0.48
1979	2,253,534	0.83
1978	2,202,100	1.60
1977	2,126,670	1.40
1976	2,084,070	1.23

+ Of continuing operations only; includes other income.
× Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.32	—	—
1979	0.32	—	—
1978	0.28	—	—
1977	0.23	—	—
1976	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 16,238,723	$7.17
1979	15,848,179	7.03
1978	14,518,131	6.59
1977	11,080,592	5.21
1976	8,445,961	4.05

Income Account *

Year ended June 30	1980	1979
Net sales	$ 36,871,565	$ 32,150,902
Other income	584,379	324,004
Total income	$ 37,455,944	$ 32,474,906
Cost of sales	19,881,434	16,013,060
Expenses	14,521,871	11,432,261
Interest expense	1,402,349	397,830
Income before taxes	$ 35,805,654	$ 27,843,151
Income taxes	111,178	109,381
Inc. from cont. oper.	$ 1,539,112	$ 4,522,374
Loss from discont. oper.	(459,833)	(2,640,404)
Net Income	$ 1,079,279	$ 1,881,970

* Included in Costs and Expenses, Depreciation and Amortization: $831,875 in 1980 and $522,133 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 759,838	$ 1,510,665
Certif. of deposit	—	5,056,880
Accts. receiv., net	8,028,189	6,956,530
* Inventories	7,923,622	6,233,045
Prepaid expenses	431,057	297,002
Net liquid. value of discon. oper.	—	430,686
Current Assets	$ 17,142,706	$ 20,484,808
# Fixed assets	10,602,823	7,761,966
Intangibles	1,225,637	1,305,132
Other assets	1,494,941	324,308
Total Assets	$ 30,466,107	$ 29,876,214

Liabilities

Notes payables	$ 959,277	$ 733,308
Accts. payable	3,677,601	2,532,522
Accruals	393,282	284,046
Accrued payroll	642,833	417,992
Income taxes	—	291,078
Provision for losses of discon. business	—	110,000
Dividends payable	178,835	177,867
Interest payable	244,439	71,349
Curr. Liabilities	$ 6,096,267	$ 4,618,162
Notes payable	7,900,998	9,160,134
Deferred income taxes	156,468	136,111
Other non-current liabilities	73,651	113,628
+ Common stock	22,646	22,535
Add. paid-in capital	3,989,419	3,918,728
Retained earnings	12,595,121	12,229,208
Unearned compensation	(368,463)	(322,292)
Total Liabilities & Shareholders' Equity	$ 30,466,107	$ 29,876,214

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 stated value.

Statistical Summary

%Net Income to Equity	6.65	11.87
Sales to Inventories	4.65	5.16
Working Capital	$ 11,046,439	$ 15,866,646
Current Ratio	2.81	4.44
Shareholders' Equity	$ 16,238,723	$ 15,848,179

Ducommun Incorporated

612 South Flower Street
Los Angeles, California 90017
(213) 612-4200

Officers: Wallace W. Booth, chairman of the board & chief executive officer; John F. Darcy, David G. Schmidt, senior vice presidents; Robert M. Walker, v.p.-personnel; H. Richard Byrne, treasurer; Raymond J. Pregent, controller; Frederick N. Bailard, secretary & general counsel.

Directors: Wallace W. Booth*, Alan N. Ducommun*, Charles E. Ducommun*, Edmond G. Ducommun*, Arthur D. MacDonald, Charles W. Missler, Dale D. Myers, Richard J. Pearson, John H. Richardson, David G. Schmidt*.

* Member of the Executive Committee.

Areas of Work: Engaged in the distribution of metals and electronic components. Produces reinforcing bar fabricating equipment.

Divisions and Subsidiaries:

Kierulff Electronics
2585 Commerce Way
Los Angeles, California 90040
(213) 725-0325

Engaged in the distribution of semi-conductors, tubes, resistors, capacitors, potentiometers, transformers, relays, switches, micro-circuits, electronic testing equipment and electronic production supplies; repair and calibration of electric and electronic instruments; manufacture of special and custom shunts, transformers toroids.

Metermaster Group

Metermaster/Los Angeles
5646 Jillson Street
Los Angeles, California 90040
(213) 685-4340

Calibrates and sells instruments and test equipment to specifications.

Air Distributors, Inc.
9120 Flint Street
Overland Park, Kansas 66214
(800) 255-3025

Airlin Supply Co.
2301 Del Amo Blvd.
Carson, California 90249
(213) 774-7364

Serves the airline industry after-market.

R.G. Wallace Co., Inc.
2301 Del Amo Blvd.
Carson, California 90249
(213) 774-6050
1930 Junction Avenue
San Jose, California 95131
(408) 279-4560

Supplies specialized aircraft and electronic hardware and fasteners.

Digital Machines International
7560 Convoy Court
San Diego, California 92111
(714) 565-1711

Engaged in the manufacture of fully integrated, digitally controlled, tape operated reinforcing bar benders and shearing machines; has developed computer software package to estimate, detail, shear, bend and package a complete reinforcing bar job.

Airdrome Parts Company
3251 Airport Way
Long Beach, California 90806
(213) 426-9411

Manufactures and distributes precision hydraulic fittings and seals for use in commercial and military aircraft, ground support equipment and space programs.

Aerochem, Inc.
1885 N. Batavia Street
Orange, California 92667
(714) 637-4401

Specialist in the field of large scale, close tolerance chemical processes for the aerospace and military/commercial aircraft industries. Chemical milling processes are used to reduce the weight of structural components while maintaining the strength.

Acquisition(s):

Airdrome Parts Company
3251 Airport Way
Long Beach, California 90806
(213) 426-9411

Ducommun Incorporated

Aerochem, Inc.
1885 N. Batavia Street
Orange, California 92667
(714) 637-4401

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 30376
Los Angeles, California 90030

Stock Exchange(s): American, Pacific

Ticker Symbol: DCO

Number of Employees:

1981	1,368	1978	942
1980	1,269	1977	894
1979	1,143		

Sales and Earnings †

	Net Sales #	Net Income
1981	$ 189,452,000	$ 9,105,000
1980	171,365,000	6,704,000
1979	148,889,000	6,265,000
1978	97,603,000	3,721,000
1977	71,563,000	1,499,000

	No. of Com. Share +	Earn. per Share ‡
1981	2,145,935	$ 4.24
1980	2,133,505	3.16
1979	2,087,365	2.94
1978	2,073,925	1.70

† Restated to include operations of companies acquired on a pooling of interests basis.
# Of continuing operations only.
+ Adjusted to reflect stock dividend.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business
(000's)

	1981	1980
Electronics distrib.	$ 162,652	$ 153,717
Aerospace distr.	19,551	10,928
Other	7,249	6,720
Total	$ 189,452	$ 171,365

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.70	—	—
1980	0.675	20%†	—
1979	0.42	—	—
1978	0.33	—	—
1977	0.33	—	—

+ Adjusted to reflect stock dividend.
† Declared Jan., 1981.

Common Stock Equity ‡

	Total Equity	Equity Per Share +
1981	$ 51,861,000	$ 24.17
1980	44,103,000	20.67
1979	38,094,000	18.25
1978	32,576,000	15.71

‡ Restated.
+ Adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 189,452	$ 171,365
Cost of sales	140,691	126,022
Expenses	38,494	32,825
Depreciation & amortization	1,107	994
Interest expense	4,530	2,988
Income before taxes	$ 4,630	$ 8,536
Income taxes	2,467	3,920
Inc. - cont. oper.	$ 2,163	$ 4,616
Inc. - discont. oper.	6,942	2,088
Net Income	$ 9,105	$ 6,704

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 2,399	$ 1,511
Trade receiv., net	33,365	26,111
*Inventories	56,399	41,605
Notes & other receiv.	11,020	—
Def. inc. tax benefits	1,449	1,353
Other assets	513	405
Assets of discont. oper.	5,234	45,943
Current Assets	$ 110,379	$ 116,928
Long-term notes receiv.	19,954	91
#Fixed assets	5,783	3,610
Other assets	2,375	354
Total Assets	$ 138,491	$ 120,983

Liabilities
(000's)

Notes payable	$ 12,967	$ 5,000
Long-term debt, curr.	9,008	2,069
Accts. payable & accruals	31,630	23,672
Income taxes	—	592
Other taxes		
Dividends payable	381	260
Curr. Liabilities	$ 53,986	$ 31,593
Long-term debt	26,303	44,850
Deferred inc. taxes	3,816	—
Deferred credits	2,525	—
+Redeemable preferred stock:		
Series C	—	437
+ +Common stock	4,518	4,493
Add. paid-in capital	7,447	7,249
Retained earnings	39,896	32,361
Total Liabilities & Shareholders' Equity	$ 138,491	$ 120,983

‡ Restated.
* At lower of cost or market. Steel, aluminum, brass and copper stated at LIFO; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $100 par value; 6¼% cumulative, nonvoting.
+ + $2 par value.

Statistical Summary

%Net Income to Equity	17.56	15.20
Sales to Inventories	3.36	4.12
Working Capital	$56,393,000	$85,335,000
Current Ratio	2.04	3.70
Shareholders' Equity	$51,861,000	$44,103,000

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000

Officers: Edward J. Jefferson, chairman of the board; Richard E. Heckert, Ralph E. Bailey, vice chairmen; William G. Simeral, Robert C. Forney, Robert J. Richardson, David K. Barnes, exec. vice presidents; Robert M. Aiken, David D. Mochberry, Nicholas Pappas, III, Robert J. Blair, John D. Cullen, William E. Buxbaum, Carl De Martino, Richard E. Emmert, Charles E. Welch, Dale E. Wolf, Roger E. Drexel, Harold E. May, John C. Metzger, Jr., Everett B. Yelton, Edgar S. Woolard, Jr., David F. Marvin, vice presidents; C. Raeford Minix, treasurer; G. Vernon Huber, William E. Taylor, Jr., A. Herbert Nehrling, Jr., Thomas A. Casadevall, Bruce A. Bachman, assistant treasurers; John J. Quindlen, comptroller; Martin G. Mand, gen. mgr.-taxes & financial services; William C. Parnell, Conlyn E. Noland, Howard L. Siers, Joseph S. Finch, William Resnick, asst. comptrollers; Donald E. Pease, secretary; Roger W. Arrington, Louis R. Wonderly, David J. Hellmann, Gertrude H. Wulff, assistant secretaries.

Directors: Edward G. Jefferson*, chairman of the board; Irving S. Shapiro, Richard E. Heckert*, Lammot du P. Copeland, David K. Barnes*, H. Rodney Sharp, III, Robert C. Forney*, Andrew F. Brimmer, Margaret P. MacKimm, Robert J. Richardson*, Norman A. Copeland, Joseph A. Dallas, Charles L. Brown, Gilbert E. Jones, Irenee du Pont, Jr., Edward B. du Pont, George P. Edmonds, Crawford H. Greenewalt, Edward R. Kane, Howard W. Johnson, Wm. Winder Laird, Hugh R. Sharp, Jr., William G. Simeral*, Howard W. Swank, Charles R. Bronfman, Edgar M. Bronfman, Charles B. McCoy, Dean R. McKay, Michael B. Morris.

*Member of Executive Committee.

Areas of Work: Develops, manufactures and markets fabrics and finishes, including acrylic, alkyd, polyester, fluorocarbon, urethane, and other finishes; acrylic epoxy, fluorocarbon, and polyimide resin coatings and composites for electrical and structural purposes; synthetic elastomer coated fabrics and sheeting; waxes and polishes, radiator chemicals, and oil and gasoline additives; cellulose sponge products; textile fibers, including nylon, aramid, polyester, spandex and fluoropolymer yarns; polyester fiberfill and acrylic, nylon, and polyester staple for textile, carpet and industrial uses; polyester, polyethylene and polypropylene fibrous spunbonded sheet structures; polyester and cellulosic fibrous spunlaced sheet structures. Also produces basic chemicals, intermediates, and solvents including acids, amines and derivatives, aniline,butanediol, cyanides, formaldehyde, inorganic salts, methanol, peroxides, silicates, sodium, and tetrahydrofuran. Titanium dioxide white pigments, inorganic and organic color pigments, zircon and staurolite heavy mineral sands, and ferric chloride. Dyes and organic chemicals for textile, paper, leather, and other basic industries. Specialty chemicals including catalysts, chrome complexes, colloidal silica, electroplating products, galvanizing fluxes, and reagents. Catalytic fume abatement systems. Photo products include X-ray, graphic arts, and engineering reproduction films, chemicals and processing equipment. Printing plates, proofing systems and related equipment and chemicals. Systems for electronic uses, including connectors, photo resists, conductive compositions, and magnetic products. Clinical, biomedical and special purpose analytical instruments. Other major product groups include biochemicals, elastomer chemicals, petrochemicals, and plastic products and resins, pertoleum exploration, refining, marketing and production.

Industrial Departments:

Biochemicals Department
Fabrics & Finishes Department
Chemicals and Pigments Department
Petrochemicals Department
International Department
Photo Products Department
Polymer Products Department
Textile Fibers Department

Subsidiaries:

DuPont Asia Pacific Limited
United States

DuPont International Sales Corporation
Wilmington, Delaware

Remington Arms Company, Inc.
Bridgeport, Connecticut

Colorquium S.A.

DuPont Taiwan Ltd.
Taipei, Taiwan

DuPont Taiwan Chemicals Ld.
Taipei, Taiwan

DuPont (Australia) Limited
Sydney, Australia

DuPont (New Zealand) Ltd.
New Zealand

Endo Laboratories, Inc.
Garden City, New York

DuPont S.A. de C.V.
Mexico, D.F., Mexico

DuPont (U.K.) Limited
London, England

DuPont de Colombia, S.A.
Bogota, Colombia

DuPont de Nemours (Belgium)
Brussels, Belgium

Brandywine Assurance Company Ltd.
Bermuda

Quimica DuPont Centro America, S.A.
Guatemala

DuPont de Nemours (Deutschland) GmbH
Dusseldof, Germany

DuPont de Nemours International S.A.
Carouge, (Geneva), Switzerland

DuPont de Nemours Italiana S.p.A.
Milan, Italy

DuPont de Nemours S.A.
Contern, Luxembourg

DuPont Photolux, S.A.
Luxembourg

DuPont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Lacas y Pinturas, S.A.
Spain

DuPont Sistemas de Interconexiones
Mexicanos, S.A. de C.V., Mexico

DuPont (Hong Kong) Ltd.
Hong Kong

DuPont de Nemours Nordiska A.B.
Marsta, Sweden

DuPont de Venezuela C.A.
Caracas, Venezuela

DuPont do Brasil S.A.
Sao Paulo, Brazil

DuPont Far East Inc.
Wilmington, Delaware

Comercial Quimica Peru S.A.
Lima, Peru

DuPont de Nemours (France) S.A.
Paris, France

Caribe Biochemicals, Inc.
Puerto Rico

DuPont Fibres S.A.
Luxembourg

DuPont (Japan) K.K.
Japan

DuPont (Singapore) Electronics Pvt. Ltd.
Singapore

Affiliated Companies:

La Domincia, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Desarrollo Quimico Industrial, S.A. (50% owned)
Madrid, Spain

Ducilo, S.A. (82.81% owned)
Buenos Aires, Argentina

Allied Eneabba Pty. Ltd. (59% owned)
Australia

DuPont Canada (74.88% owned)
Montreal, Quebec, Canada

Mitsui Fluorochemicals Company, Ltd. (50% owned)
Tokyo, Japan

Mitsui Polychemicals Company, Ltd. (50% owned)
Tokyo, Japan

Pigmentos Y Productos Quimicos S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

DuPont Exploration (33.33% owned)
United States

PD Magnetics B.V. (50% owned)
Netherlands

Showa Neoprene K.K. (50% owned)
Tokyo, Japan

Tetraetilo de Mexico, S.A. (59% owned)
Mexico, D.F., Mexico

Toyo Products Company, Ltd. (50% owned)
Tokyo, Japan

Quimica Fluor, S.A. de C.V. (32.88% owned)
Mexico

Nylon de Mexico, S.A. (40% owned)
Mexico

Butachimie (50% owned)
France

Acquisition(s):

Conoco Inc.
New England Nuclear Corporation

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Robert F. Kearney
1007 Market Street
Wilmington, Delaware 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Number of Employees:

1981	177,235	1978	131,800
1980	135,900	1977	132,000
1979	134,200		

Sales and Earnings †

	Net Sales (000's)	Net Income (000's)
1981	$ 22,810,000	$ 1,401,000
1980	13,744,000	706,000
1979	12,650,000	939,000
1978	10,646,200	786,000
1977	9,482,800	545,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	184,260,000	$ 7.55
1980	154,990,000	4.49
1979	153,181,000	6.07
1978	151,828,000	5.11
1977	152,586,000	3.50

† Restated to include operations of New England Nuclear acquired on a pooling of interests basis and to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981 (millions)	1980 (millions)
Petroleum	$ 6,771	$ —
Coal & minerals	841	—
Agricultural & industr. chem.	3,395	2,721
Polymer prods.	3,219	2,990
Fibers	4,858	4,494
Industr. & cons. prods.	2,723	2,620
Biomedical prods.	1,003	919
Total	$ 22,810	$ 13,744

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.75	—	—
1980	2.75	—	—
1979	2.75	—	3-for-1
1978	2.41⅔	—	—
1977	1.91⅔	—	—

Common Stock Equity †

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 10,221,000	$ 43.60
1980	5,707,000	36.77
1979	5,303,000	34.70
1978	4,726,000	30.96
1977	4,261,000	28.15

† Restated.
‡ After allowing for preferred stock at stated values.

Income Account *
(000's)

Year ended Dec. 31	1981	1980‡
Net sales	$ 22,810,000	$ 13,744,000
Other income	282,000	149,000
Total income	$ 23,092,000	$ 13,893,000
Cost of sales	15,420,000	9,659,000
Expenses	2,502,000	1,832,000
Depletion & amort.	1,144,000	777,000
Interest expense	476,000	111,000
Taxes	1,369,000	406,000
Income before taxes	$ 2,181,000	$ 1,108,000
Income taxes	1,074,000	392,000
Minority interest	26,000	10,000
Cum. effect of change in accntng.	(320,000)	—
Net Income	$ 1,401,000	$ 706,000

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980‡
Cash & marketable securities	$ 790,000	$ 228,000
Accts. & notes receiv., net	4,370,000	2,129,000
*Inventories	4,500,000	2,018,000
Prepaid expenses	361,000	153,000
Current Assets	$ 10,021,000	$ 4,528,000
Investments	362,000	276,000
# Fixed assets	12,722,000	4,466,000
Other assets & investments	724,000	380,000
Total Assets	$ 23,829,000	$ 9,650,000

Liabilities
(000's)

Short-term borrowings	$ 445,000	$ 399,000
Accts. payable	2,536,000	830,000
Accruals	1,386,000	582,000
Income taxes	527,000	259,000
Curr. Liabilities	$ 4,894,000	$ 2,070,000
Long-term debt	6,403,000	1,079,000
Cap. lease oblig.	176,000	34,000
Other liabilities	1,309,000	254,000
Minority interest	71,000	71,000
Deferred invest. tax credit	—	320,000

Deferred inc. taxes	518,000	198,000
+ Preferred stock:		
$4.50 series	167,000	167,000
$3.50 series	70,000	70,000
+ + Common stock	391,000	259,000
Add. paid-in capital	4,248,000	438,000
Retained earnings	5,582,000	4,690,000
Total Liabilities & Shareholders' Equity	$ 23,829,000	$ 9,650,000

‡ Restated.
* Valued at LIFO cost.
# Less accumulated depreciation and obsolescence.
+ No par value; cumulative.
+ + $1.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	9.56	8.06
%Net Income to Sales	6.14	5.14
%Net Income to Equity	13.40	12.55
Sales to Inventories	5.07	6.81
Working Capital	$ 5,127,000,000	$2,458,000,000
Current Ratio	2.05	2.19
Shareholders' Equity	$10,458,000,000	$5,624,000,000

Dynalectron Corporation

1313 Dolley Madison Boulevard
McLean, Virginia 22101
(703) 356-0480

Officers: Jorge Carnicero, chairman of the board; Charles G. Gulledge, president and chief executive officer; Merlon F. Richards, exec. v.p. and chief operating officer; Daniel R. Bannister, sr. v.p.-Technical Services Group; G.W. Walther Ewalt, sr. v.p.-Electrical Contracting Group; Earl W. Holdgraf, sr. v.p.-Hydrocarbon Group; David F.G. Larkman, sr. v.p.-Environmental Group; John P. Schelling, sr. v.p.-Administration Group and corporate secretary; T. Eugene Blanchard, sr. v.p. and chief financial officer; Erle M. Constable, v.p.-finance; James H. Duggan, v.p.-Commercial Aviation Services; Gerald A. Dunn, v.p. and controller; Starr C. Galloway, v.p.-human resourcess; Randolph S. Nunnally, v.p.-Facilities Services Division; David L. Reichardt, v.p. and general counsel; Jack E. Vestal, v.p.-Aerospace Operations Division; Robert W. Allen, general auditor; Richard A. Hutchinson, treasurer.

Directors: Jorge Carnicero*, chairman; James D. Berry, Charles G. Gulledge*, John H.F. Haskell, Jr., Oliver G. Haywood*, Seymour S. Mintz*, Raymond J. Mulligan*, Edwin G. Phillips*, Merlon F. Richards*.

* Member of the Executive Committee.

Operating Groups:

Technical Services Group
Provides diversified technical, scientific, and support services for both military and civil aviation.

Airtech Service, Inc.
Miami, Florida

Servair Inc.
McLean, Virginia

Government Support Services

Facilities Services
Albuquerque, New Mexico

Aerospace Operations Division
Fort Worth, Texas

PAC ORD
Long Beach, California

International

ITS International, Inc.
McLean, Virginia

Electrical Contracting Group
Provides electrical contracting services, including design and installation of specialized automation systems and mechanical construction.

Dynelectric Company
McLean, Virginia

State Electric Company Limited
Toronto, Ontario, Canada

ANECO Company
Clearwater, Florida

B & B Contracting & Supply Company
Dallas, Texas

Hydrocarbon Group
Engaged in the development, engineering, and construction of processes for the petroleum, chemical synthetic fuel, and other industrial process industries. Current projects include coal liquefaction and alternative fuels.

Hydrocarbon Research, Inc.
McLean, Florida

HRI Research and Development
Lawrenceville, New Jersey

HRI Engineering
Miami, Florida

Environmental Group
Engaged in the construction of secondary and tertiary wastewater and sewage treatment plants. Also provides special insulation and designs and fabricates complex process instrumentation for major industrial process facilities including chemical plants, refineries, water purifications and sewage treatment plants.

Dyn Construction Corporation
Martinez, California

TRANS-DYN Control Systems, Inc.
Concord, California

Fuller-Austin Insulation Company
Houston, Texas

Fuller-Austin of Canada, Limited
Calgary, Alberta, Canada

Solar Insulators, Inc.
Houston, Texas

Affiliates:

Dynarabia Company Limited
Riyadh, Saudi Arabia

Mid-East Technical Services, Ltd.
Riyadh, Saudi Arabia

Transfer Agent(s):

Republic National Bank of Dallas
Corporate Trust Division
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): American, Boston, Philadelphia

Ticker Symbol: DYN

Sales and Earnings

	Revenues	Net Income
1981	$ 474,985,000	$ 13,865,000
1980	442,618,000	5,007,000
1979	354,313,000	4,014,000
1978	289,759,000	(1,524,000)
1977	285,159,000	2,705,000

	No. of Com. Shares †	Earn. per Share †
1981	8,561,000	$ 1.62
1980	7,654,000	0.65
1979	7,091,000	0.57
1978	6,665,000	—
1977	6,687,000	0.38

(Loss)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Construction industry:		
Install., sales, engineering	$ 262,999	$ 228,670
Gen. construc. & engineering, res. & develop.	70,905	74,191
Technical & support serv:		
Aviation & Maritime	47,508	39,964
Facilities Management	57,229	65,964
Commercial aviation	32,157	30,384
Other	3,702	4,457
Int., corp. exp., unallocatable	485	(1,012)
Total	$ 474,985	$ 442,618

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.08	—	—
1979	—	—	—
1978	0.07	—	—
1977	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 69,451,000	$ 8.12
1980	55,915,000	6.62
1979	36,449,000	5.09
1978	29,143,000	4.28
1977	31,597,000	4.54

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Revenues	$ 474,985	$ 442,618
Cost of sales	436,256	421,012
Expenses	14,984	11,253
Interest expense	2,444	2,454
Interest income	(4,316)	(1,431)
Sale of technology	(1,039)	(1,750)
Income before taxes	$ 26,656	$ 11,080
Income taxes	12,791	6,073
Net Income	$ 13,865	$ 5,007

* Included in Costs and Expenses, Depreciation and Amortization: $5,165,000 in 1981 and $4,706,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cash equiv.	$ 45,081	$ 25,797
Notes & long-term receiv.	505	412
Accts. receiv., net	94,486	98,379
*Inventories	5,850	6,448
Prepaid expenses	1,336	1,469
Current Assets	$ 147,258	$ 132,505
Long-term receiv.	461	572
#Fixed assets	18,775	15,383
Other assets	5,833	1,668
Intangibles	2,943	3,037
Total Assets	$ 175,270	$ 153,165

Liabilities
(000's)

Long-term debt, curr.	$ 1,389	$ 1,679
Accts. payable	26,494	28,443
Adv. on contract pay.	5,319	4,645
Accruals	32,379	27,389
Accrued inc. taxes	13,652	12,049

Curr. Liabilities	$ 78,233	$ 74,205
Long-term debt	21,346	21,744
Deferred income taxes	4,195	—
Other liab. & def. credits	2,045	1,301
+ Common stock	859	858
Add. paid-in capital	31,364	32,366
Retained earnings	36,368	23,349
Treasury stock	(140)	(658)
Total Liabilities & Shareholders' Equity	$ 175,270	$ 153,165

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	5.61	2.50
%Net Income to Revenues	2.92	1.13
%Net Income to Equity	19.96	8.95
Working Capital	$69,025,000	$58,300,000
Current Ratio	1.88	1.79
Shareholders' Equity	$69,451,000	$55,915,000

Dynamics Corporation of America

475 Steamboat Road
Greenwich, Connecticut 06830
(203) 869-3211

Officers: Andrew Lozyniak, chairman of the board & president; Edward J. Mooney, vice chairman of the board, v.p., counsel & secretary; Patrick J. Dorme, v.p.-finance & chief financial officer; Richard E. Smith, treasurer; M. Gregory Bohnsack, controller; Leona Cebelenski, asst. secretary.

Directors: Harry R. Cant, Frank A. Gunther, Henry V. Kensing, Andrew Lozyniak, William A. Matheson, Jr., Curtis T. Roff, Edward J. Mooney, Saul Sperber.

Areas of Work: Engaged in five general lines of business or product areas: electronic systems and components, farm machinery and equipment, air distribution equipment, industrial equipment and consumer products.

Divisions and Subsidiaries:

Anemostat Products Division
888 North Keyser Avenue
Scranton, Pennsylvania 18501
(717) 346-6586

Manufactures air terminal boxes, grilles, registers, sound traps and other metal products for installation in commercial building heating, ventilation and air conditioning systems.

Fermont Division
141 North Avenue
Bridgeport, Connecticut 06606
(203) 366-5211

Engine generator sets, standby power sources, solid-state controls for integrated circuits.

Ellis and Watts Division
4400 Glen Willow Lake Lane
Cincinnati, Ohio 45244
(513) 891-8000

Air and liquid special cooling and temperature control devices, dehydrators, and electronic trailers for government and industry use.

International Electronic Research Corporation
135 West Magnolia Boulevard
Burbank, California 91502
(213) 849-2481

Manufactures board mounted and extruded semiconductor heat sinks/dissipators, heat dissipating tube shields, thermal packaging card guides, enclosures and other components.

Portable Elevator Division
920 Grove Street
Bloomington, Illinois 61701
(309) 829-1235

Portable farm elevators, conveyors, field cultivators, truck hoists, planters, plows, disk harrows and other material-handling equipment sold to farmers for soil preparation and product handling.

Reeves-Hoffman Division
400 West North Street
Carlisle, Pennsylvania 17013
(717) 243-5929

Manufactures quartz crystal products consisting of crystal units, wafers, oscillators, filters, ovens, frequency standards and glass to metal seal enclosures for application in the precise frequency control of speech and data transmission systems and the packaging of integrated circuits and other electronic components.

Waring Products Division
Route 44
New Hartford, Connecticut 06057
(203) 379-0731

Consumer and commercial food blenders and electric houseware products, such as can openers and food mixers.

Transfer Agent(s):

Hartford National Bank & Trust Company
150 Windsor Street
Hartford, Connecticut 06115

Stock Exchange(s): New York

Ticker Symbol: DYA

Number of Employees:

1980	2,200	1977	2,000
1979	2,200	1976	2,200
1978	1,985		

Plant Footage:

1980	1,361,000 sq. ft.	1977	1,315,000
1979	1,361,000	1976	1,197,000
1978	1,315,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 152,580,000	$ 5,693,000
1980	145,347,000	12,330,000
1979	130,473,000	3,475,000
1978	138,616,000	5,812,000
1977	120,033,000	9,200,000

	No. of Com. Shares †	Earn. per Share ‡†
1981	4,531,021	$ 1.26
1980	5,413,469	2.28
1979	5,685,574	0.61
1978	6,037,724	0.96
1977	6,424,214	1.43

‡ Including extraordinary credits of $720,000 ($0.12 per share) in 1978 and $4,411,000 ($0.68 per share) in 1977.
† Based on the average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Electrical appliances & electronic devices	$ 65,047	$ 57,556
Fabricated metal products & equipment	56,672	57,909
Power & controlled environmental systems	30,861	29,882
Total	$ 152,580	$ 145,347

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.10	—	—
1979	0.15	—	—
1978	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 55,769,000	$ 12.31
1980	51,518,000	9.52
1979	51,178,000	9.00
1978	49,270,000	8.16
1977	47,122,000	7.34

† Based on the average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 152,580,000	$ 145,347,000
Cost of sales	116,585,000	111,041,000
Expenses	27,101,000	24,439,000
Other expense (income)	(624,000)	302,000
Gain on sale of unitrode stock	—	(11,665,000)
Income before taxes	$ 9,518,000	$ 21,230,000
Income taxes	3,825,000	8,900,000
Net Income	$ 5,693,000	$ 12,330,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,716,000 in 1981 and $2,502,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 856,000	$ 639,000
Marketable securities	3,257,000	13,390,000
Accts. receiv., net	28,639,000	27,117,000
*Inventories	33,860,000	24,325,000
Other current assets	690,000	622,000
Def. income taxes	1,051,000	1,614,000
Current Assets	$ 68,353,000	$ 67,707,000
#Fixed assets	11,147,000	11,179,000
Comm. stock of CTS Corp.	19,062,000	—
Def. income taxes	401,000	235,000
Total Assets	$ 98,963,000	$ 79,121,000

Liabilities

Oblig. under cap. lease, curr.	$ 2,893,000	$ 384,000
Accts. payable	9,214,000	4,605,000
Accruals	10,279,000	11,495,000
Income taxes	1,648,000	5,085,000
Curr. Liabilities	$ 24,034,000	$ 21,569,000
Long-term debt	17,283,000	3,910,000
Oblig. under cap. leases	1,877,000	2,124,000
+ Common stock	446,000	455,000
Add. paid-in capital	8,664,000	8,813,000
Retained earnings	47,523,000	43,198,000
Subs., receiv. & def. compens.	(864,000)	(948,000)
Total Liabilities & Shareholders' Equity	$ 98,963,000	$ 79,121,000

* At lower of cost (FIFO) or market. In 1981, 33% of inventories stated at LIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.24	14.61
%Net Income to Sales	3.37	8.48
%Net Income to Equity	10.21	23.93
Sales to Inventories	4.51	5.98
Working Capital	$44,319,000	$46,138,000
Current Ratio	2.84	3.14
Shareholders' Equity	$55,769,000	$51,518,000

Dynamics Research Corporation

60 Concord Street
Wilmington, Massachusetts 01887
(617) 658-6100

Dynamics Research Corporation

Officers: John S. Anderegg, Jr., chairman of the board & president; Albert Rand, v.p.-Systems Div.; Joseph J. Bakewell, v.p.-Metrigraphics Div.; John L. Wilkinson, v.p.-human resources; Willard E. Chippendale, treasurer; John R.D. McClintock, clerk; Nancy M. Bodenstein, assistant clerk.

Directors: John S. Anderegg, Jr., Thomas J. Troup, Sims McGrath, Wickham Skinner, Joseph Weingarten, Frank Gabron, Marvin G. Schorr.

Areas of Work: Engaged in four lines of business— encoders and digital readout systems, micrographics, computer information & engineering data systems and analytical design. The encoders manufactured by the Company are used to measure rotary, angular or linear movement and serve such industries as machine tool and sheet metal fabrication. Micrographics, the precision patterned glass and metal products manufactured by the company, include precision measuring scales, reticles, microcircuit masks and discs for computer peripheral equipment and the optical instrument industry. The principal markets for computer and engineering data systems and analytical design services are certain defense and space exploration programs.

Divisions:

Precision Measurement Division
Metrigraphics Division
Systems division
Test Equipment Division

Subsidiaries:

DRC International Corporation (DISC)

Transfer Agent(s):

State Street Bank and Trust Company
225 Franklin Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRCO (NASDAQ)

Number of Employees:

1981	745	1978	588
1980	704	1977	547
1979	635		

Plant Footage:

1981	150,300 sq. ft.	1978	125,300
1980	125,300	1977	125,300
1979	125,300		

Sales and Earnings

	Net Sales †	Net Income
1981	$ 32,383,000	$ 867,000
1980	27,296,281	804,109
1979	23,634,656	840,763
1978	20,818,288	820,951
1977*	20,183,714	812,570

	No. of Com. Shares +	Earn. per Share #
1981	1,476,249	$ 0.59
1980	1,476,249	0.54
1979	1,476,249	0.57
1978	1,476,249	0.56
1977	1,476,249	0.55

* 53 weeks.
† Including contract revenues.
+ Adjusted to reflect stock dividends and stick splits.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business

	1981	1980
Encoders & precision measure. div.	$ 10,683,000	$ 9,636,070
Metrigraphics div.	3,273,000	3,323,000
Systems div.	18,427,000	14,337,000
Total	$ 32,383,000	$ 27,296,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.04	10%	3-for-2
1980	0.04	—	3-for-2
1979	0.04	10%	—
1978	0.03	10%	—

+ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 6,839,000	$ 4.63
1980	6,036,048	4.09
1979	5,290,897	3.58
1978	4,504,426	3.05
1977	3,731,967	2.53

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended	12/26/81	12/27/80
Net sales & revenues	$ 32,383,000	$ 27,296,281
Cost of sales	23,863,000	19,107,501
Expenses	6,725,000	6,545,487
Interest expense	413,000	244,784
Income before taxes	$ 1,382,000	$ 1,398,509
Income taxes	515,000	594,400
Net Income	$ 867,000	$ 804,109

* Included in Cost and Expenses, Depreciation and Amortization: $522,000 in 1981 and $345,107 in 1980.

Assets

As of	12/26/81	12/27/80
Cash	$ 52,000	$ 316,[illegible]48
Receiv., net	6,327,000	5,879,[illegible]13
Unbilled fees	2,802,000	1,245,042
*Inventories	3,630,000	3,01[illegible],977
Prepaid expenses	811,000	366,[illegible]
Current Assets	$ 13,622,000	$ 11,021,419
#Fixed assets	2,260,000	2,004,197
Total Assets	$ 15,882,000	$ 13,025,616

Liabilities

	12/26/81	12/27/80
Notes payable	$ 3,150,000	$ 2,250,000
Accts. payable	2,049,000	1,956,478
Accruals	617,000	607,537
Accrued payroll	1,409,000	1,202,691
Deferred inc. taxes	1,456,000	786,862
Curr. Liabilities	$ 8,681,000	$ 6,803,568
Deferred inc. taxes	362,000	186,000
+Common stock	134,000	81,412
Add. paid-in capital	1,955,000	1,238,163
Retained earnings	4,750,000	4,716,473
Total Liabilities & Shareholders' Equity	$ 15,882,000	$ 13,025,616

*At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.27	5.12
%Net Income to Sales	2.68	2.95
%Net Income to Equity	12.68	13.32
Working Capital	$4,941,000	$4,217,851
Current Ratio	1.57	1.62
Shareholders' Equity	$6,839,000	$6,036,048

Dynascan Corporation

6460 W. Cortland St.
Chicago, Illinois 60635
(312) 889-8870

Officers: Carl Korn, president; F. DiLeo, exec. v.p.; Leonard Abrahamson, S. Gene Balaban, Paul Davis, Richard Goldstein, Henry J. Gronski, vice presidents; Samuel G. Horberg, vice president, secretary and treasurer.

Directors: Kenneth J. Eaton, Samuel B. Horberg, Carl Korn, Sol Polk, James L. Marovitz.

Areas of Work: Manufactures two-way citizens-band radios; remote telephones, night sentry, microprocessor controlled electronic light timer; industrial products, B & K Precision - electronic test equipment and Telemotive Radio Remote Control systems for heavy industrial equipment.

Transfer Agent(s):

Continental Illinois National Bank & Trust Company
of Chicago
231 South LaSalle Street
Chicago, Illinois 60693

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYNA (NASDAQ)

Number of Employees:

1981	520	1978	435
1980	535	1977	500
1979	450		

Plant Footage:

1981	186,000 sq. ft.	1978	186,000
1980	186,000	1977	204,000
1979	186,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 66,743,000	$ 3,036,000
1980	51,168,000	1,905,000
1979	56,055,000	535,000
1978	64,316,000	2,838,000
1977	84,069,000	719,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,641,668	$ 0.83
1980	3,636,708	0.52
1979	3,631,000	0.16
1978	3,638,000	0.79
1977	3,634,000	0.19

‡ Based on average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Consumer electronics products	$ 41,216,000	$ 27,518,000
Industrial electronics products	25,527,000	23,650,000
Total	$ 66,743,000	$ 51,168,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	3% + 3%	—
1980	—	3% + 3%	—
1979	—	3% + 3%	—
1978	—	3% + 3%	—
1977	—	3% + 3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 30,318,000	$ 8.33
1980	27,271,000	7.50

1979	25,359,000	6.98
1978	24,816,000	6.83
1977	21,971,000	6.04

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 66,743,000	$ 51,166,000
Cost of sales	49,612,000	38,128,000
Expenses	11,698,000	9,691,000
Interest expense	4,000	—
Prof. sh. plan	350,000	200,000
Other income	(78,000)	(65,000)
Interest income	(619,000)	(434,000)
Income before taxes	$ 5,776,000	$ 3,648,000
Income taxes	2,740,000	1,743,000
Net Income	$ 3,036,000	$ 1,905,000

* Included in Costs and Expenses, Depreciation and Amortization: $5[illegible],000 in 1981 and $568,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,083,000	$ 1,426,000
Marketable securities	657,000	5,059,000
Receiv., net	14,051,000	11,559,000
*Inventories	19,028,000	13,549,000
Prepaid expenses	501,000	885,000
Current Assets	$ 36,320,000	$ 32,478,000
#Fixed assets	3,023,000	2,712,000
Other assets	104,000	80,000
Total Assets	$ 39,447,000	$ 35,270,000

Liabilities

Note payable	$ 1,350,000	$ —
Accts. payable	2,803,000	3,023,000
Accruals	3,381,000	3,011,000
Income taxes	975,000	1,491,000
Curr. Liabilities	$ 8,509,000	$ 7,525,000
Deferred inc. taxes	620,000	474,000
+Common stock	1,244,000	1,174,000
Add. paid-in capital	11,198,000	9,495,000
Retained earnings	17,919,000	16,648,000
Treasury stock	(43,000)	(46,000)
Total Liabilities & Shareholders' Equity	$ 39,447,000	$ 35,270,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

%Income bef. Taxes to Sales	8.65	7.13
%Net Income to Sales	4.55	3.72
%Net Income to Equity	10.01	6.99
Sales to Inventories	3.51	3.78
Working Capital	$27,811,000	$24,953,000
Current Ratio	4.27	4.32
Shareholders' Equity	$30,318,000	$27,271,000

Dynatech Corporation

3 New England Executive Park
Burlington, Massachusetts 01803
(617) 272-3304

Officers: Warren M. Rohsenow, chairman; J.P. Barger, president; Kenneth D. Roberts, sr. v.p. & treasurer; James B. Turner, William W. Welsh, Jr., Ronald H. Weatherbogg, group v.p.'s; Dwight W. Harvie, Claude Oller, Dorothy G. Cooley, vice presidents; Edward T. O'Dell, Jr., secretary; B. Darling asst. secretary; Robert H. Hertz, corporate controller.

Directors: Warren M. Rohsenow, chairman; J.P. Barger, James B. Hangstefer, Marshall Simonds, Theodore Cohn, Warren A. Law.

Areas of Work: Engaged in the development and production of microbiological and immunological instrumentation and equipment and cryosurgical equipment, offering a line of instruments for ophthalmology, gyneclogy, dermatology, and general surgery. Also manufactures switchgear and diagnostic instruments for high speed data communication systems. Also conducts contract research and development.

Divisions and Subsidiaries:

Dynatech R/D Company
Cambridge, Massachusetts

Artek Systems Corporation (60% owned)
Farmingdale, New York

Dynatech Data Systems
Springfield, Virginia

Dynatech Laboratories, Incorporated
Alexandria, Virginia

Dynatech Instruments, Inc.
Torrance, California

Dynatec Nevada, Inc.
Carson City, Nevada

Dynatech Frontier Corporation
Albuquerque, New Mexico

Telecommunications Techniques Corp.
Gaithersbury, Maryland

Dynatech/U-Z
Venice, California

Dynatech Diagnostics, Inc.
So. Windham, Maine

Dynatech, A.G.
Zug, Switzerland

Dynatech Produkte, A.G.
Kloten, Switzerland

Dynatech Laboratories, Ltd.
Billingshurst, Sussex, England

Laboratoire Dynatech S.A.R.L.
Fresnes Cedex, France

Dynatech Singapore (Pte) Ltd.
Singapore

Dynatech Deutschland G.m.b.H.
Denkendorf, West Germany

Dynatech Medical Products Ltd.
Guernsey, Channel Islands

Dynatech Data Communications Ltd.
Guernsey, Channel Islands

Dynatch Packet Technology, Inc.
Alexandria, Virigina

Norton Communications, Ltd.
Cheshunt Hertfordshire, England

Utah Scientific, Inc.
Salt Lake City, Utah

Microsystems, Ltd.
Guernsey, Channel Islands

TMP, Inc.
Huntington Beach, California

Dynatech Precision Sampling Corp.
Baton Rouge, Louisiana

Trans-Met Engineering, Inc.
La Habra, California

Dynatech Communications S.A.R.L.
Fresnes Cedex, France

Nihon Dynatech K.K.
Tokyo, Japan

Dynatech Hong Kong
Hong Kong

Dynatech Malaysia, Sdn. Bhd.
Selangor, Malaysia

Dynatech, Australasia
Brookvale, NWS, Australia

Interface Technology
San Dimas, California
Manufactures and markets digital electronics test instruments.

Acquisition(s):

Northwest Biomedical Laboratories (April 1980)
So. Windham, Maine
Manufactures diagnostic reagents for blood testing.

Precision Sampling Corporation
Baton Rouge, Louisiana
Designs and manufactures small quantity fluid handling systems.

Robbins Aviation, Inc.
Exact Electronics, Inc.

Tri-Med
Huntington Beach, California
Manufactures dialysis instruments.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYTC (NASDAQ)

Number of Employees:

1981	800	1979	600
1980	800		

Plant Footage:

1981	215,000 sq. ft.	1979	175,000
1980	215,000		

Sales and Earnings ‡

	Net Sales +	Net Income
1982	$ 69,822,000	$ 5,193,000
1981	59,179,000	4,499,000
1980	46,414,000	3,342,000
1979	34,642,000	2,414,000
1978	25,370,000	1,608,000

	No. of Com. Shares †	Earn. per Share #
1982	4,608,967	$ 1.14
1981	4,501,238	1.00

+ Including contract revenue.
† Adjusted to reflect stock splits.

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1982	1981
Data communications prods.	$ 36,118,000	$ 28,623,000
Medical laboratory prods.	24,571,000	21,695,000
R/D; scientific instruments	9,133,000	8,861,000
Total	$ 69,822,000	$ 69,822,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	—	—
1980	—	—	—
1979	—	—	2-for-1
1978	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 24,297,000	$ 5.27
1981	18,067,000	4.01
1980	13,590,000	3.04
1979	10,133,000	2.32
1978	7,619,000	1.78

† Restated to include operations of companies acquired on a pooling of interests basis.
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended March 31	1982	1980 ‡
Net sales & contract rev.	$ 69,822	$ 59,179
Cost of sales & contracts	29,879	25,607
Expenses	29,755	24,710
Interest expense	1,352	1,319
Other income	(292)	(467)
Income before taxes	$ 9,128	$ 8,010
Income taxes	3,932	3,446
Minority interest	3	65
Net Income	$ 5,193	$ 4,499

* Included in Costs and Expenses, Depreciation and Amortization: $1,711,000 in 1982 and $1,312,000 in 1981.
‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets

As of March 31	1982	1981 ‡
Cash	$ 4,142	$ 3,423
Accts. receiv., net	13,101	11,254
Unbilled contract costs & fees	217	295
*Inventories	16,962	14,144
Other assets	1,216	743
Current Assets	$ 35,638	$ 29,859
#Fixed assets	7,337	5,542
Other assets	724	597
Intangibles	2,324	2,197
Total Assets	$ 46,023	$ 38,195

Liabilities

	1982	1981 ‡
Long-term debt, curr.	$ 514	$ 930
Accts. payable	5,003	3,450
Accruals	2,751	2,441
Accrued payroll	2,476	1,708
Income taxes	2,725	2,136
Curr. Liabilities	$ 13,469	$ 10,665
Long-term debt	6,760	8,357
Def. inc. taxes	971	585
Minority interest	526	521
+Common stock	922	900
Add. paid-in capital	2,192	1,177
Retained earnings	21,183	15,990
Total Liabilities & Shareholders' Equity	$ 46,023	$ 38,195

‡ Restated to include operations of companies acquired on a pooling of interests basis.
* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.07	8.47
%Net Income to Sales	7.44	7.60
%Net Income to Equity	21.37	24.90
Working Capital	$22,169,000	$19,194,000
Current Ratio	2.65	2.80
Shareholders' Equity	$24,297,000	$18,067,000

Dyneer Corporation

(formerly ASPRO, Inc.)
(40% owned by UTC International of Basel, Switzerland)

The Riverside Building
Westport, Connecticut 06880
(203) 226-1071

Officers: Harlan W. Smith, chairman of the board & president; James R. Gerrity, sr. v.p.-finance, administration and secretary; Stephen A. Rhodes, v.p.-transportation products group; J. Bradford Perkins, v.p.-electronic products group; Kenneth E. Thorp, v.p.-mobile equipment & industrial products; David E. Stoll, controller; Charles Hemmerdinger, treasurer.

Directors: James R. Gerrity, Geraldine C. Herzfeld, Alfred E. Sarasin, William W. Sellew, Harlan W. Smith, M. Abbott Van Nostrand, A. Wachter, Peter Gloor.

Areas of Work: The Company is involved in three business segments: electronics, mobile equipment and transportation products. The electronic products include: optoelectronic control devices used in electronic business equipment; seismic equipment which measure vibration and earthquakes.

Divisions and Subsidiaries:

Electronic Products

Sensor Technology, Inc.
Chatsworth, California

Sprengnether Instruments, Inc.
St. Louis, Missouri

Technitron, Inc.
New York, New York

Acquisition(s):

X-Data Limited
Slough, Berkshire
England
Distributed computer peripherals.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: DYR

Number of Employees:

1981	N/A*	1978	1,650
1980	1,717	1977	1,400
1979	2,400		

Plant Footage:

1981	N/A*	1978	759,673
1980	1,667,287 sq. ft.	1977	629,000
1979	1,667,287		

* Not Available.

Sales and Earnings

	Net Sales	Net Income
1981	$ 151,564,000	$ 7,250,000
1980	155,276,000	7,010,000
1979	141,328,000	5,280,000
1978	78,310,629	3,470,000
1977	64,040,384	2,575,000

	No. of Com. Shares ‡	Earn. per. Share ‡
1981	3,427,000	$ 2.12
1980	3,027,000	2.32
1979	2,569,425	2.27
1978	1,962,632	1.77
1977	1,897,702	1.36

‡ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Mobile equip. & industrial prods.	$ 68,992	$ 78,313
Electronic prods.	38,544	34,678
Transportation prods.	44,028	42,285
Total	$ 151,564	$ 155,276

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.62	—	—
1980	0.56	—	—
1979	0.48	—	3-for-2
1978	0.43	—	—
1977	0.37	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 51,013,000	$ 14.92
1980	45,530,000	13.85
1979	35,185,000	12.06
1978	21,487,773	10.91
1977	18,789,709	9.68

# Based on year-end shares outstanding adjusted for dilution and stock dividend.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 151,564,000	$ 155,276,000
Other income	3,622,000	1,685,000
Total income	$ 155,186,000	$ 156,961,000
Cost of sales	113,965,000	117,970,000
Expenses	24,893,000	21,636,000
Interest expense	2,078,000	2,675,000
Income before taxes	$ 14,250,000	$ 14,680,000
Income taxes	7,000,000	7,670,000
Net Income	$ 7,250,000	$ 7,010,000

*Included in Costs and Expenses, Depreciation and Amortization: $4,102,000 in 1981 and $3,886,000 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 1,706,000	$ 893,000
Investments	19,000,000	11,272,000
Accts. receiv., net	18,769,000	15,508,000
*Inventories	25,715,000	26,885,000
Prepaid expenses	496,000	229,000
Current Assets	$ 65,686,000	$ 54,787,000
#Fixed assets	30,696,000	30,897,000
Other assets	4,113,000	3,590,000
Total Assets	$ 100,495,000	$ 89,274,000

Liabilities

	1981	1980
Notes payable	$ 1,196,000	$ 703,000
Long-term debt, curr.	1,192,000	1,167,000
Accts. payable	14,396,000	10,045,000
Other curr. liabilities	6,693,000	7,067,000
Income taxes	2,511,000	552,000
Curr. Liabilities	$ 25,988,000	$ 19,534,000
Long-term debt	19,601,000	20,793,000
Deferred inc. taxes	993,000	1,133,000
Other liabilities	2,900,000	2,284,000
+Common stock	3,261,000	3,261,000
Add. paid-in capital	21,393,000	21,402,000
Retained earnings	26,845,000	21,581,000
Treasury stock	(486,000)	(714,000)
Total Liabilities & Shareholders' Equity	$ 100,495,000	$ 89,274,000

* At lower of cost (FIFO and LIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.40	9.45
%Net Income to Sales	4.78	4.51
%Net Income to Equity	14.21	15.40
Sales to Inventories	5.89	5.78
Working Capital	$39,698,000	$35,253,000
Current Ratio	2.53	2.80
Shareholders' Equity	$51,013,000	$45,530,000

EAC Industries, Inc.

Suite 1400
135 South LaSalle Street
Chicago, Illinois 60603
(312) 346-2015

Officers: Peter B. Fritzsche, chairman of the board & president; Paul Fritzsche, v.p. - operations and administration & secretary; Kenneth N. Pedersen, v.p. - finance & treasurer; Peter O. Fetzer, asst. secretary.

Directors: James M. Baisley*, Richard H. Chandler, George J. Dunn, Paul Fritzsche, Peter Fritzsche*, Philip H. Geier, Jr., James F. Peil*, Daniel E. Virnich*.

* Member of the Executive Committee.

Areas of Work: Manufactures tension control AC motors and voltage controllers for the process equipment industry and standby power systems for use with electronic cash registers and data processing. Also produces manufactured houses and mobile homes; security hardware; graphic arts products.

Electronics Subsidiary:

Welco Industries, Inc.
Cincinnati, Ohio

Transfer Agent(s):

Midlantic National Bank
Edison, New Jersey

Stock Exchange(s): American

Ticker Symbol: EAC

Sales and Earnings

	Revenues +	Net Income ‡
1981	$ 32,181,000	$ 1,943,000
1980	32,801,000	1,624,000
1979	31,254,000	1,741,000
1978	30,078,000	(1,676,000)
1977	29,565,000	1,945,000

	No. of Com. Shares #	Earn. per Share ‡#
1981	1,556,000	$ 1.24
1980	1,793,000	0.91
1979	1,901,000	0.92
1978	N.A.	—
1977	N.A.	1.02

(Loss)
N.A.—Not available.
+ Of continuing operations only.
‡ Including extraordinary gain of $377,000 ($0.20 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Hardware	$ 19,875	$ 21,207
Electro Mechanical	7,466	7,801
Graphic arts	3,321	2,937
Affiliate	373	362
Corp. & others	1,146	494
Total	$ 32,181	$ 32,801

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.36	—	—
1980	0.36	—	—
1979	0.30	—	—
1978	0.21	—	—
1977	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 13,337,000	$ 8.56
1980	11,964,000	7.71

Income Account *
(000's)

Year ended Jan 31	1982	1981
Net sales	$ 31,209	$ 31,945
Other income	972	856
Total income	$ 32,181	$ 32,801
Cost of sales	21,569	22,404
Expenses	6,215	6,306
Depreciation & amortization	968	884
Interest expense	451	511
Income before taxes	$ 2,978	$ 2,696
Income taxes	1,044	1,072
Net Income	$ 1,934	$ 1,624

Assets
(000's)

As of Jan. 31	1982	1981
Cash & marketable securities	$ 1,736	$ 1,821
*Accts. receiv., net	5,195	5,945
*Inventories	6,584	6,336
Prepaid expenses	438	449
Current Assets	$ 13,953	$ 14,551
Investments	3,050	3,052
#Fixed assets	5,146	4,869
Other assets	870	1,005
Intangibles	1,179	350
Total Assets	$ 24,198	$ 23,877

Liabilities
(000's)

Long-term debt, curr.	$ 464	$ 456
Accts. payable	2,864	3,043
Accruals	1,562	1,621
Income taxes	949	1,275
Curr. Liabilities	$ 5,839	$ 6,395
Long-term ebt	4,116	4,804
Other liab.	498	541
Deferred inc. taxes	408	173
+Common stock	208	207
Add. paid-in capital	10,655	10,599
Cum. trans. adjust.	(57)	—
Retained earnings	5,973	4,600
Treasury stock	(3,442)	(3,442)
Total Liabilities & Shareholders' Equity	$ 24,198	$ 23,877

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.54	8.44
%Net Income to Sales	6.20	5.08
%Net Income to Equity	14.50	13.57
Sales to Inventories	4.74	5.04
Working Capital	$ 8,114,000	$ 8,156,000
Current Ratio	2.39	2.25
Shareholders' Equity	$13,337,000	$11,964,000

Eagle-Picher Industries, Inc.

580 Walnut Street
P.O. Box 779
Cincinnati, Ohio 45201
(513) 721-7010

Officers: William D. Atteberry, chairman of the board & chief executive officer; Thomas E. Petry, president & chief operating officer; Robert R. Axelson, John W. Painter, executive v.p.'s; James M. Dines, Jefferson W. Hudson, group v.p.'s; John E. Powers, sr. v.p. & controller; Walter A. Suhre, Jr., sr. v.p. & general counsel; James G. Baird, J. Rodman Nall, v.p.'s; Charles S. Dautel, v.p. & secretary; David N. Hall, v.p. & treasurer; Joshua E. Adams, asst. treasurer; Carroll D. Curless, asst. controller; David W. Matthews, asst. secretary; Paul D. Eddy, general manager-Electronics Division; Elden A. Spencer, general manager-Elmac Corporation; Dwight S. Trahin, general manager-Specialty Materials Division.

Directors: William D. Atteberry, Robert R. Axelson, Sanford M. Brooks, Paul W. Christensen, Jr., Jefferson W. Hudson, Wickliffe Jones, Daniel W. LeBlond, Charles M. Barrett, John W. Painter, Charles S. Mechem, Jr., V. Anderson Coombe, Thomas E. Petry, Paul A. Miller, Sidney J. Weinberg, Jr.

Areas of Work: The Company's electronic activities include the development of special purpose battery systems for electrical vehicles, utility load leveling, and world-wide communications satellites; development of a data terminal system for industrial computers; new crystalline materials for semiconductor and infra-red applications.

Electronics Divisions

Electronics Division
Joplin, Missouri
Special purpose batteries; high precision metal products.

The Elmac Corporation
Huntington, West Virginia
Manufactures belt haulage systems, electrical transmission systems and controls, replacement parts for mining machines and rubber tired vehicles for the underground coal mining and hard rock mining industries.

Specialty Materials Division
Quapaw, Oklahoma
Produces high purity germanium, gallium, lithium, and boron materials for the nuclear and electronic industries.

Transfer Agent(s):

The Central Trust Company
Cincinnati, Ohio

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York, Cincinnati

Ticker Symbol: EPI

Number of Employees:

1980	9,400	1977	10,200
1979	10,200	1976	9,800
1978	10,700		

Sales and Earnings

	Net Sales	Net Income
1981	$ 624,207,641	$ 18,552,692
1980	543,297,442	21,297,719
1979	590,018,144	30,704,325
1978	526,497,563	27,804,513
1977	474,039,615	26,003,034

	No. of Com. Shares	Earn. per Share ‡
1981	9,632,000	$ 1.88
1980	9,715,000	2.14
1979	9,821,000	3.03
1978	9,900,000	2.70
1977	9,912,000	2.49

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Eagle-Picher Industries, Inc.

Revenues By Line of Business
(000's)

	1981	1980
Basic materials & chemicals	$ 220,300	$ 201,000
Machinery & allied products	251,400	219,800
Transportation products	152,500	122,500
Total	$ 624,200	$ 543,300

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.96	—	—
1980	0.90	—	—
1979	0.86	—	—
1978	0.77	—	—
1977	0.68	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 216,040,345	$ 22.43
1980	208,430,199	21.46
1979	198,070,155	20.17
1978	178,221,328	18.00
1977	159,408,817	16.08

‡ After allowing for preference stock at a stated alue of $33 per share.
† Adjusted to reflect stock split.

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 624,207,641	$ 543,297,442
Other income	4,582,292	1,593,634
Total income	$ 628,789,933	$ 544,891,076
Cost of sales	522,538,509	449,043,178
Expenses	59,530,337	54,087,450
Interest expense	8,103,811	5,062,729
Income before taxes	$ 29,452,692	$ 36,697,719
Income taxes	10,900,000	15,400,000
Net Income	$ 18,552,692	$ 21,297,719

* Included in Costs and Expenses, Depreciation and Amortization: $20,364,096 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 15,432,930	$ 19,000,165
Receiv., net	86,717,661	78,769,766
*Inventories	105,346,776	94,484,057
Prepaid expenses	8,400,638	7,128,488
Current Assets	$ 215,898,005	$ 199,382,476
Investments	5,214,359	4,599,360
#Fixed assets	173,646,379	154,762,996
Other assets	6,504,451	6,791,183
Total Assets	$ 401,263,194	$ 365,536,015

Liabilities

	1981	1980
Long-term debt, curr.	$ 13,228,201	$ 3,516,000
Accts. payable	31,375,501	30,285,226
Accruals	29,285,522	22,687,659
Income taxes	6,371,575	4,025,890
Curr. Liabilities	$ 80,260,799	$ 60,514,775
Long-term debt	85,202,048	80,039,952
Other long-term liabilities	2,918,332	3,290,664
Deferred inc. taxes	14,993,010	11,306,792
+ Preferred stock	1,848,660	1,953,633
+ + Common stock	12,500,000	12,500,000
Add. paid-in capital	4,209,305	4,368,619
Retained earnings	206,858,368	197,673,320
Treasury stock	(7,527,328)	(6,011,740)
Total Liabilities & Shareholders' Equity	$ 401,263,194	$ 365,536,015

* At lower of cost or market and LIFO
# Less accumulated depreciation.
+ $33 stated value.
+ + $1.25 per value.

Statistical Summary

%Income bef. Taxes to Sales	4.72	6.75
%Net Income to Sales	2.97	3.92
%Net 'ncome to Equity	8.51	10.12
Sales to Inventories	5.93	5.75
Working Capital	$135,637,206	$138,867,701
Current Ratio	2.69	3.29
Shareholders' Equity	$217,889,005	$210,383,832

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000

Officers: Walter A. Fallon, chairman of the board & chief executive officer; Colby H. Chandler, president; David S. Greenlaw, v.p. & director of corporate commercial affairs; David J. Metz, v.p. & dir.-corp. communications; Robert B. Murray, v.p. & dir.-corporate planning; Herbert L. Rees, v.p.-corporate staff; Tom Hiatt, asst. v.p. & dir.-public affairs; James S. Bruce, sr. v.p. & director-corporate relations; Robert A. Sherman, sr. v.p. & director-finance & administration; Kendall M. Cole, sr. v.p. & general counsel; Leonard S. Zartman, secretary; Donald E. Snyder, treasure:; Leo J. Thomas, sr. v.p. & dir.-Research Laboratories; Toy F. Reid, exec. v.p. & gen. mgr.-Eastman Chemicals Division; Kay R. Whitmore, exec. v.p. & general manager-Photographic Division;-Cornelius J. Murphy, group v.p. & gen. mgr.-Photographic Manufacturing Group; J. Phillip Samper, group v.p. & gen. mgr.-Photographic marketing group; Herbert L. Rees, v.p.-Corporate Staff.

Directors: Walter A. Fallon*, chairman; Juanita M. Kreps, Gerald B. Zornow, Roger E. Anderson, Colby H. Chandler*, Kendall M. Cole*, Robert S. Hatfield, Robert A. Sherman*, W. Allen Wallis, J. Paul Lyet, Charles T. Duncan, James S. Bruce*, Toy F. Reid*, John G. Smale, Kay R. Whitmore*.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets still and motion picture cameras and projectors; lenses, microfilming units, professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators; radiographic products; light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards, duplicating plates for making negative copies of printed circuits; man-made fibers, industrial chemicals and plastics.

Divisions and Subsidiaries:

Kodak Park Division
1669 Lake Avenue
Rochester, New York 14650
(716) 458-1000

Kodak Apparatus Division
901 Elmgrove Road
Rochester, New York 14650
(716) 724-4000

Distillation Products Industries Division
2255 Mount Read Boulevard
Rochester, New York 14603
(716) 722-2905

Business Systems Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Motion Picture and Audiovisuals Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Consumer Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Graphics Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Professional and Finishing
Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Radiography Markets Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Eastman Technology, Inc.
343 State Street
Rochester, New York 14650
(716) 724-4000

International Photographic Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Customer Equipment Services Division
800 Lee Road
Rochester, New York 14650
(716) 724-4000

Eastman Chemicals Division
343 State Street
Rochester, New York 14650
(716) 325-2000

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Company
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Eastman Chemical Products, Inc.
P.O. Box 431
Kingsport, Tennessee 37662
(615) 246-2111

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario, M6M 1V3 Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House
Station Road, Hemel Hempstead
Herts., HP1 1JU, England

Kodak-Pathe
8-26 rue Villiot
75010-Paris, Cedex 12
France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasilerira Comercio e Industria Ltd.
Av. Brigadeiro Faria Limia, 1815, 7th Floor
Caixa Postal 225
Sao Paulo, 01000 Brazil

Kodak Argentina
Casilla de Correo Central No. 5621
Buenos Aires, Argentina

Kodak Industrial S.A. de C.V.
Apartado Postal 3144
Guadalajara, Mexico

Transfer Agent(s):

Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

First Jersey National Bank
1 Exchange Place
Jersey City, New Jersey 07303

Stock Exchange(s): New York, Midwest, Pacific, Boston, Phila-Balt-Wash, Paris, London

Ticker Symbol: EK

Numberof Employees:

	U.S.	Worldwide
1981	91,900	136,400
1980	.84,400	129.500
1979	.80,800	126,300
1978	.79,600	124,800
1977	77,900	123,700

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 10,337,000	$ 1,239,000
1980	9,734,303	1,153,579
1979	8,028,231	1,000,764
1978*	7,012,923	902,284
1977	5,966,986	643,448

	No. of Com. Shares #	Earn. per Share #
1981	161,700,000	$ 7.66
1980	161,389,000	7.15
1979	161,383,738	6.20
1978	161,375,931	5.59
1977	161,369,790	3.99

* 53 weeks.
# Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.50	—	—
1980	3.20	—	—
1979	2.90	—	—
1978	2.33	—	—
1977	2.10	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1981	$ 6,770,000	$ 41.66
1980	6,027,806	37.35
1979	5,390,603	33.40
1978	4,857,681	30.10
1977	4,331,308	26.84

# Based on average number of shares outstanding.

Income Account *
(000's)

Year ended	12/27/81	12/28/80
Net sales	$ 10,337,000	$ 9,734,303
Cost of sales	6,342,000	6,084,663
Expenses	1,935,000	1,753,203
Oper. profit	$ 2,060,000	$ 1,896,437
Investment income	162,000	134,024
Total	$ 2,222,000	$ 2,030,461
Interest exp.	64,000	45,769
Other expense	25,000	22,113
Income before taxes	$ 2,183,000	$ 1,962,579
Income taxes	944,000	809,000
Net Income	$ 1,239,000	$ 1,153,579

* Included in Costs and Expenses, Depreciation: $454,000,000 in 1981 and $401,000,000 in 1980.

Assets
(000's)

As of	12/27/81	12/28/80
Cash	$ 163,000	$ 147,214
Marketable securities	959,000	1,437,848
Receiv., net	1,709,0000	1,677,975
*Inventories	1,970,000	1,702,806
Deferred inc. taxes	115,000	229,528
Prepaid expenses	147,000	50,232
Current Assets	$ 5,063,000	$ 5,245,603
#Fixed assets	4,157,000	3,434,698
Other assets	226,000	73,690
Total Assets	$ 9,446,000	$ 8,753,991

Liabilities
(000's)

Payables	$ 1,605,000	$ 1,563,887
Dividends payable	203,000	201,736
Income & other taxes	311,000	481,803
Curr. Liabilities	$ 2,119,000	$ 2,247,426
Conv. deben: 4½%	66,000	66,056
Other liabilities	142,000	141,824
Deferred inc. taxes	349,000	270,879
+ Common stock	407,000	403,966
Add. paid-in capital	336,000	269,555
Retained earnings	6,027,000	5,354,285
Total Liabilities & Shareholders' Equity	$ 9,446,000	$ 8,753,991

* At cost (LIFO) which is not in excess of market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

	(000's)	
%Income bef. Taxes to Sales	21.12	20.16
%Net Income to Sales	11.99	11.85
%Net Income to Equity	18.30	19.14
Sales to Inventories	5.25	5.72
Working Capital	$2,944,000,000	$2,998,177,000
Current Ratio	2.39	2.33
Shareholders' Equity	$6,770,000,000	$ 6,027,806

Eaton Corporation

100 Erieview Plaza
Cleveland, Ohio 44114
(216) 523-5000

Officers: E.M. de Windt, chairman of the board & chief executive officer; James R. Stover, president & chief operating officer; Melvin C. Arnold, executive v.p.-law & corporate relations; Robert G. Brown, exec. v.p.-engineering & corporate development; Stephen R. Hardis, exec. v.p.-finance & administration; Mellon C. Baird, Jr., president-Defense and Systems Group; Samuel S. Blackmore, president-Industrial Group; William E. Butler, president-Automotive Group; Robert W. Gillison, president-Truck Components Group; Alfred M. Rankin, Jr., president-Materials Handling Group; John M. Carmont, v.p. & treasurer; Leonard C. Cook, v.p.-materials management; Robert P. Crease, v.p.-planning & business development; Malcolm Daisley, v.p.-productivity; John D. Evans, v.p.-human resources; Gerald L. Gherlein, v.p. & general counsel; William D. Gluck, v.p.-marketing development; Herbert Hubben,v.p.-international; John W. Hushen, v.p.-government relations; William R. Kiessel, v.p.-manufacturing services; Ronald L. Leach, v.p.-accounting; Warren B. Offutt, v.p.-technical management; Bruce H. Pauly, v.p.-engineering; J. Bernard Reilly, v.p.-automotive marketing; Richard T. Sadler, v.p. & secretary; Floyd M. Wilkerson, v.p.-information systems; Marshall Wright, v.p.-corporate affairs.

Directors: E.M. de Windt, chairman of the board; Charles A. Anderson, Arthur Dole III, Carl A. Gerstacker, Charles E. Hugel, William G. Meese, Furman C. Moseley, Hooper G. Pattillo, Nicholas R. Petry, Samuel K. Scovil, James R. Stover, Neil A. Armstrong, J. Donald Rauth.

Operating Units:

Transportation Products Group:

Truck Components-mechanical transmissions, drive and trailer axles brakes, locking differentials, engine valves, hydraulic valve lifters, tire valves, leaf springs, viscous fan drives, power steering pumps, thermostats, air conditioning equipment, and couplings, hose and tubing for the over-the-road truck industry.

Off-Highway Vehicle Components Group:

Mechanical and hydrostatic transmissions, forgings, drive axles, brakes, engine valves, hydraulic valve lifters, hydraulic motors, couplings, hose and tubing.

Passenger Car Components:

Engine valves, hydraulic valve lifters, lease springs, emission control valves, viscous fan drives, speed conrols, tire valves, thermostats, fasteners, automatic temperature controls, heaters and air conditioning equipment.

Industrial (Electrical and Electronic)

Industrial control components, assemblies, systems and drives; avionics and defense electronics; electronic test instrumentation; low-voltage power distribution equipment; commercial controls and fasteners;
hoisting equipment and automated materials handling systems; industrial tubing, clutches, brakes and gear reducers.

Materials Handling Vehicles

Industrial Vehicles-gasoline, liquid propane gas, diesel and electric powered lift trucks and unmanned, automatic materials handling vehicles.

Transfer Agent(s):

AmeriTrust Company
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: ETN

Number of Employees:

1981	48,933	1978	60,909
1980	50,358	1977	46,603
1979	57,735		

Sales and Earnings

	Net Sales ‡ (000's)	Net Income † (000's)
1981	$ 3,165,300	$ 82,400
1980	3,176,500	115,800

1979	3,359,900	153,300
1978	2,790,500	130,900
1977	2,110,900	106,300

	No. of Com. Shares +	Earn. per Share #
1981	27,301,831	$ 3.01
1980	26,724,738	4.35
1979	25,115,508	5.86
1978	25,915,718	5.00

† Including extraordinary credit of $11,600,000 ($0.45 per share) in 1978.

+ Adjusted to reflect stock split.

# Based on the monthly average number of shares outstanding during each year adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Transportation prods.	$ 1,432,000	$ 1,407,000
Industrial—including electrical & electronic	1,413,000	1,363,000
Materials handling vehicles	337,000	424,000
Intersegment sales	(17,000)	(18,000)
Total	$ 3,165,000	$ 3,176,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.72	—	—
1980	1.72	—	—
1979	1.61	—	3-for-2
1978	1.50	—	—
1977	1.33	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1981	$1,001,373,445	$ 36.68
1980	988,726,265	37.00
1979	911,372,775	34.90
1978	798,416,745	30.81

† After allowing for preferred stock at liquidation values.

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 3,165,319	$ 3,176,466
Interest income	11,153	5,546
Other income	24,048	22,762
Earn. of fin. subsid.	23,364	14,410
Total income	$ 3,223,884	$ 3,219,184
Cost of sales	2,366,323	2,392,355
Expenses	600,715	557,081
Interest expense	74,995	89,179
Exch. loss	(715)	3,897
Unusual items	(43,797)	25,360
Income before taxes	$ 138,769	$ 202,032
Income taxes	56,401	86,248
Net Income	$ 82,368	$ 115,784

* Included in Costs and Expenses, Depreciation and Amortization: $92,034,000 in 1981 and $89,521,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 30,057	$ 13,865
Short-term securities	74,661	7,503
Accts. receiv., net	441,590	493,971
*Inventories	678,379	718,885
Other curr. assets	46,923	46,017
Current Assets	$ 1,271,610	$ 1,280,241
Investments in finance subsid.	50,998	46,126
Investments in assoc. cos.	45,061	33,433
#Fixed assets	840,718	820,534
Other assets	34,639	27,079
Intangibles	89,831	95,047
Total Assets	$ 2,332,857	$ 2,302,460

Liabilities
(000's)

Long-term debt, curr.	$ 15,370	$ 14,583
Short-term debt	36,683	67,135
Accts. payable	184,866	188,260
Payrolls & other accruals	257,592	253,588
Taxes	89,580	83,834
Curr. Liabilities	$ 584,091	$ 607,400
Long-term debt	546,208	516,952
Other liab.	96,880	77,911
Deferred inc. taxes	90,154	95,090
+4¾% Cum. conv. pref. stock	1,103	1,244
+ +Serial pref. stock	163	189
+ + +Common stock	13,651	13,362
Add. paid-in capital	124,705	109,898
Retained earnings	915,304	880,414
For curr. trans. adjust.	(39,402)	—
Total Liabilities & Shareholders' Equity	$ 2,332,857	$ 2,302,460

* At lower of cost (FIFO; LIFO for certain domestic inventories) or market.

# Less accumulated depreciation and amortization.

+ $25 par value.

+ + $0.50 stated value.

+ + + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.38	6.36
%Net Income to Sales	2.60	3.65
%Net Income to Equity	8.11	11.52
Sales to Inventories	4.67	4.42
Working Capital	$ 687,519,000	$ 672,841,000
Current Ratio	2.18	2.11
Shareholders' Equity	$1,015,524,000	$1,005,107,000

The Echlin Manufacturing Company

Echlin Road
Branford, Connecticut 06405
(203) 481-5771

Officers: Frederick J. Mancheski, chairman of the board & chief exec. officer; Joseph V. Scott, president; Harold F. Anderson, v.p.-engineering; Robert J. Burian, v.p.-employee relations; Thomas R. Hancock, v.p.-Investor Relations; David H. Spiller, v.p., secretary & general counsel; Chester W. Russ, v.p.-finance; Richard B. Patterson, corp. controller; J. William Bowman, Richard A. Wisot, asst. treasurers.

Directors: Frederick J. Mancheski, chairman of the board; Joseph V. Scott, John E. Echlin, John E. Echlin, Jr., Milton P. DeVane, Eugene J. Muldoon, Raymond G. Dowsett, John F. Gustafson, Philip S. Myers, Chester W. Russ, Frank E. Pilling.

Areas of Work: Manufactures parts and supplies used to maintain or improve the efficiency and safety of motor vehicles including automotive electronic, electro-mechanical and fuel system parts. Safety products include hydraulic brake parts, air brake parts, controllers for electric brakes, and additional safety-related products.

Divisions and Subsidiaries:

Ace Electric Company, Inc.
Kansas City, Missouri
Columbus, Kansas

Automotive Controls Corp.
Bradford, Connecticut
Independence, Kansas

The Berg Maufacturing Company
Iola, Kansas

Ballwin-Washington, Inc.

Ballwin, Missouri
Washington, Missouri

Brake Parts Company
McHenry & Litchfield, Illinois

Lift Parts Mfg. Co.
Des Plaines, Illinois

Sierra Supply Co.
Litchfield, Illinois

Kravex Manufacturing Corp.
Miami, Florida

Peerless Instrument Company
Cherryvale, Kansas

Sensor Engineering Company
Branford, Connecticut

Tekonsha Engineering Company
Tekonsha, Michigan

Roto-Master, Inc.
North Hollywood, California

Berg Europa, GmbH
Walldorf, West Germany

Berg Maufacturing (U.K.) Ltd.
Blackburn, England

Echlin Charger Manufacturing Company (Pty.) Limited
Johannesburg, South Africa

Echlin Mexicana S.A. de C.V.
Mexico City, Mexico

Echlin de Venezuela, C.A.
Caracas, Venezuela

Echlin do Brasil, S.A.
Sao Paulo, Brazil

Echlin Australia (Pty.) Ltd.
Melbourne, Australia

Echlin Canada Inc.
Toronto, Canada

Acquisition(s):

Mechanex Inc.
After market operations of Borg-Warner Corporation.

M. Black Company
Philadelphia, Pennsylvania
Manufactures automotive wire and cable.

Blackstone Manufacturing Company
Manufactures small fuel pumps.

Transfer Agent(s):

The Connecticut Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): New York

Ticker Symbol: ECH

Sales and Earnings

	Net Sales	Net Income
1981	$ 415,747,000	$ 12,737,000
1980	301,400,000	8,769,000
1979	304,022,000	22,655,000
1978	278,304,000	18,644,000
1977	239,205,000	16,090,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	15,142,000	$ 1.50
1980	15,993,000	0.55
1979	15,142,000	1.50
1978	14,367,000	1.30
1977	14,329,000	1.12

‡ Based on the weighted average number of common shares outstanding, adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.42	—	—
1980	0.48	—	—
1979	0.42	—	—
1978	0.33	—	2-for-1
1977	0.27	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 199,867,000	$ 8.93
1980	144,164,000	9.00
1979	142,405,000	8.93
1978	101,331,000	7.04
1977	87,010,000	6.07

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Aug. 31	1980	1979
Net sales	$ 301,400	$ 304,022
Cost of sales	209,608	200,590
Expenses	71,244	60,705
Interest expense	5,889	4,328
Income before taxes	$ 14,659	$ 38,399
Income taxes	5,890	15,744
Net Income	$ 8,769	$ 22,655

* Included in Costs and Expenses, Depreciation and Amortization: $8,582,000 in 1980 and $7,051,000 in 1979.

Assets

As of Aug. 31	1980	1979
Cash	$ 1,652	$ 6,842
Accts. receiv.	41,403	45,283
* Inventories	103,800	94,919
Other assets	5,298	7,511
Current Assets	$ 152,153	$ 154,555
Investments & advances	851	1,297
# Fixed assets	62,281	51,975
Intangible assets	2,488	2,681
Other assets	19,372	15,612
Total Assets	$ 237,145	$ 226,120

Liabilities
(000's)

	1980	1979
Notes payable	$ 10,770	$ 10,178
Long-term debt, curr	1,512	1,819
Accts. payable	14,221	15,108
Accrued payroll	5,342	5,471
Other accruals	5,912	6,631
Income taxes	234	3,520
Curr. Liabilities	$ 37,991	$ 42,727
Long-term debt	52,083	38,689
Deferred inc. taxes	2,907	2,299
+ Common stock	16,165	16,095
Add. paid-in caial	34,282	33,685
Retained earnings	95,333	94,241
Treasury stock	(1,616)	(1,616)
Total Liabilities & Shareholders' Equity	$ 237,145	$ 226,120

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.86	12.63
%Net Income to Sales	2.91	7.45
%Net Income to Equity	6.08	15.91
Sales to Inventories	2.90	3.20
Working Capital	114,162,000	111,828,000
Current Ratio	4.00	3.62
Shareholders' Equity	144,164,000	142,405,000

Edo Corporation

14-04 111th Street
College Point, New York 11356
(212) 445-6000

Officers: William R. Ryan, chairman of the board; Gerald Albert, president; William F. Konrad, vice president; John H. Meyn, vice president-administration and secretary; Michael J. Hegarty, v.p.-finance & treasurer; Charles F. Anderson, Jr. assistant secretary..

Directors: William R. Ryan, Archibald M. Brown, Jr., H. Struve Hensel, James T. Pyle, Richard Rachals, Gerald Albert, James S. Coles, John H. Meyn, Ralph O. Romaine, Noel B. McLean.

Areas of Work: Produces electronic systems and equipment, electro-mechanial devices and fiber reinforced composites for civil and military aviation, ocean navigation and underwater detection, surveillance and exploration.

Divisions:

Avionics Division
P.O. Box 610, Municipal Airport
Mineral Wells, Texas 76067
(817) 325-2517

Manufactures seven different autopilot systems which are used on over 1000 different makes and mod:ls of aircraft.

Flight Instrument Division
1326 South Walnut Street
Wichita, Kansas 67213
(316) 264-4621

Manufactures aircraft instruments and accessories including airspeed indicators, encoding altimeters, directional, horizontal and autopilot gyros, radio controls and audio amplifiers.

EDO-AIRE, Mineral Wells
P.O. Box 610, Municipal Airport
Mineral Wells, Texas 76067

EDO-AIRE, Fairfield
216 Passaic Avenue
Fairfield, New Jersey 07006

EDO-AIRE, Wichita
1326 South Walnut Street
Wichita, Kansas 67213

Commercial Products Group

Western Division
2645 South 300 West
Salt Lake City, Utah 84115

Oceanograhic and marine navigation instrumentation; sonar doppler navigation equipment; grahic recorders, piezoelectric ceramics, acoustic devices underwater video systems and equipment.

Electric Indicator Division
272 Main Avenue
Norwalk, Connecticut 06851
(203) 847-5861

Designs and manufactures specialized rotating components for major electronic companies, including standard and temperature compensated DC tachometers; AC permanent magnet tachometers, induction generators; AC induction and torque motors; shunt, series, compound, universal, torque and permanent magnet DC motors; hysteresis and reluctance type synchronous motors.

Fiber Science, Division
506 North Billy Mitchell Road
Salt Lake City, Utah 84116
(801) 539-0747

Engaged in the filament winding of reinforced plastic composites for commercial aircraft water and waste system tanks, ducting and fittings; the development of hardware for military helicopters and aircraft; plastic products such as chemical tanks, fish farming equipment and molded fiberglass building units.

EDO International Division
14-04 111th Street
College Point, New York 11356

Markets EDO Corpoation products around the world.

EDO Government Systems Division
14-04 111th Street
College Point, New York 11356

Washington Office:
2001 Jefferson Davis Highway
Arlington Virginia 22202

Encompasses an integrated capability for total system development from initial concept through research and engineering, maufacturing and life cycle logistic support; shipboard sonar products, such as the variable depth sonar; the helicopter towed hydrofoil sea sled, and other products in the fields of antisubmarine warfare, airborne mine countermeasures systems, aircraft ejection release units, and seaplane floats.

Transfer Agent(s):

Bradford Securities Operations, Inc.
Fort Lee Executive Park
Fort Lee, New Jersey 07024

Stock Exchange(s): American

Ticker Symbol: EDO

Number of Employees:

1981	1,855	1978	2,100
1980	1,916	1977	2,000
1979	2,161		

Plant Footage:

1981	805,000 sq. ft.	1978	690,000
1980	840,000	1977	600,000
1979	785,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 112,645,000	$ 3,292,000
1980	97,345,000	2,548,000
1979	88,922,000	3,254,226
1978	75,343,923	2,643,132
1977	67,034,424	2,406,773

	No. of Com. Shares‡	Earn. per Share‡
1981	2,609,475	$ 1.26
1980	2,600,051	0.98
1979	2,144,506	1.52
1978	2,063,263	1.28
1977	2,063,263	1.17

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Military systems	$ 64,131,000	$ 46,969,000
Aviation products	25,188,000	31,272,000
Marine systems & spec. prod	23,326,000	19,104,000
Total	$ 112,645,000	$ 97,345,000

Edo Corporation

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.38	10%	—
1980	0.36	—	—
1979	0.34	50%	—
1978	0.28	—	—
1977	0.25	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 36,435,000	$ 14.14
1980	33,749,059	13.13
1979	31,590,607	12.37
1978	23,393,788	11.33
1977	21,044,803	10.20

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 112,645,000	$ 97,344,918
Interest income	1,412,000	—
Other income	153,000	291,820
Total income	$ 114,210,000	$ 97,636,738
Cost of sales	87,884,000	74,803,263
Expenses	4,613,000	12,667,222
Research & devel.	3,538,000	3,058,103
Pension plans	2,077,000	2,038,890
Interest expenses	839,000	1,040,904
Income before taxes	$ 5,259,000	$ 4,028,356
Income taxes	1,967,000	1,480,056
Net Income	$ 3,292,000	$ 2,548,300

* Included in Costs and Expenses, Depreciation and Amortization: $2,147,000 in 1981 and $1,697,066 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 9,059,000	$ 2,701,267
Recov. inc. taxes	3,661,000	2,747,823
Accts. receive., net	21,085,000	18,879,602
*Inventories	24,149,000	26,349,172
Prepaid expenses	464,000	460,200
Current Assets	$ 58,418,000	$ 51,138,064
#Fixed assets	12,675,000	10,363,184
Intangibles	3,590,000	3,589,862
Defer. charges & other assets	369,000	250,124
Total Assets	$ 75,052,000	$ 65,341,234

Liabilities

Long-term debt, curr.	$ 550,000	$ 550,000
Accts. payable & accruals	10,411,000	8,867.879
Contract advances & deposits	9,295,000	8,601,251
Income taxes	5,436,000	1,959,485
Curr. Liabilities	$ 25,692,000	$ 19,978,615
Long-term debt	8,167,000	8,811,000
Employee stock obligation	300,000	600,000
Deferred inc. taxes	4,458,000	2,202,560
+Common stock	2,577,000	2,337,316
Add. paid-in capital	18,699,000	14,529,734
Retained earnigs	15,459,000	17,482,009
Employee stock obligation	(300,000)	(600,000)
Total Liabilities & Shareholders' Equity	$ 75,052,000	$ 65,341,234

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.67	4.14
%Net Income to Sales	2.92	2.62
%Net Income to Equity	9.04	7.55
Sales to Inventories	4.66	3.69
Working Capital	$32,726,000	$31,159,449
Current Ratio	2.27	2.56
Shareholders' Equity	$36,435,000	$33,749,059

EECO Incorporated

(formerly Electronic Engineering
Company of California)

1601 East Chestnut Avenue
Santa Ana, California 92701
(714) 835-6000

Officers: Patrick F. Cadigan, president & chief exec. officer; Burgess Dempster, chairman of the board; Robert B. Bonney, vice chairman; A.W. Finamore, v.p. & chief financial officer & secretary; Edward L. Scheibel, v.p. & div. mgr.-Operations Support Division; Robert N. Alexander, v.p. & div. mgr.-Component Products Division; Robert W. Allen, v.p.-administration; Adolf M. Cosentino, v.p. & president-ECCO Computer, Inc.; John M. Ludutsky, v.p. & div. mgr.-Electronic Products Division.

Directors: Burgess Dempster, chairman; John F. Bishop, R.B. Bonney, W. Van Alan Clark, Jr., Fred A. Taylor, Patrick F. Cadigan, J.J. Shelton.

Areas of Work: Develops and manufactures passenger entertainment controls for airlines; thumbwheel and membrane switches; electronic packaging hardware, programming "software" and panel wiring services, modular socket assemblies and companion card files; punched tape readers; electronic video/audio editing equipment; editing equipment; telecommunications equipment; hotel computer systems.

Subsidiaries:

Electronic Engineering International (DISC)
1601 E. Chestnut Avenue
Santa Ana, California 92701

EECO Ltd.
25 Viking Way
Bar Hill, Cambridgeshire
CB3 8EL England

Transfer Agent(s):

Crocker National Bank
San Francisco, California 90054

Stock Exchange(s): American

Ticker Symbol: EEC

Number of Employees:

1981	711	1978	731
1980	756	1977	657
1979	853		

Plant Footage:

1981	205,000 sq. ft.	1978	105,000
1980	205,000	1977	180,000
1979	205,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 36,124,000	$ 1,162,000
1980	42,644,000	5,261,000
1979	34,899,000	2,202,000
1978	27,009,000	2,068,000
1977	23,007,000	1,603,000

	No. of Com. Shares	Earn. per Share #‡
1981	2,530,261	$ 0.46
1980	2,462,366	2.14
1979	2,398,608	0.92
1978	2,347,765	0.88
1977	2,215,146	0.72

‡ Including extraordinary gain of $74,000 ($0.05 per share) in 1978.

# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Switch prods.	$10,651	29%	$ 9,270	21%
Air transport prods.	8,237	23	12,666	30
Mini-computer	7,712	21	8,037	19
Peripheral prods.	3,369	10	6,824	16
Electr. pkgng. prods.	3,677	10	3,556	9
Video prods.	2,478	7	2,291	5
Total	$36,124	100%	$42,644	100%

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.25	—	—
1980	0.20	—	3-for-2
1979	0.17	—	—
1978	0.15	—	3-for-2
1977	0.13	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 20,886,000	$ 8.25
1980	19,844,000	8.06
1979	14,850,000	6.19
1978	12,589,000	5.36
1977	10,619,000	4.79

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 36,124,000	$ 42,644,000
Cost of sales	22,114,000	25,587,000
Res. and develop.	3,231,000	2,568,000
Expenses	9,228,000	9,051,000
Interest expense (income)	(453,000)	809,000
Income before taxes	$ 2,004,000	$ 4,629,000
Income taxes	842,000	2,296,000
Income from cont. oper.	$ 1,162,000	$ 2,333,000
Income from discont. oper.	—	2,928,000
Net Income	$ 1,162,000	$ 5,261,000

*Included in Costs and Expenses, Depreciation: $1,444,000 in 1981 and $1,240,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 6,041,000	$ 6,300,000
Accts. receiv. net	5,366,000	6,562,000
*Inventories	8,522,000	10,266,000
Prepaid expenses	237,000	230,000
Prepaid taxes	421,000	642,000
Current Assets	$ 20,587,000	$ 24,000,000
#Fixed assets	10,103,000	8,553,000
Other assets	225,000	234,000
Total Assets	$ 30,915,000	$ 32,787,000

Liabilities

Long-term debt, curr.	$ 43,000	$ 40,000
Accts. payable	1,736,000	1,500,000
Accrued payroll	1,258,000	1,231,000
Accrued group insur.	272,000	238,000

Customer deposits	173,000	170,000
Income taxes	31,000	3,753,000
Other liabilities	762,000	869,000
Curr. Liabilities	$ 4,275,000	$ 7,801,000
Long-term debt	3,843,000	3,890,000
Deferred inc. taxes	1,911,000	1,252,000
+Common stock	5,279,000	4,770,000
Retained earnings	15,607,000	15,074,000
Total Liabilities & Shareholders' Equity	$ 30,915,000	$ 32,787,000

* At lower of average cost or market (net realizable value).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.55	—
%Net Income to Sales	3.22	—
%Net Income to Equity	5.56	26.51
Sales to Inventories	4.24	4.15
Working Capital	$16,312,000	$16,199,000
Current Ratio	4.82	3.08
Shareholders' Equity	$20,886,000	$19,844,000

EG&G, Inc.

45 William Street
Wellesley, Massachusetts 02181
(617) 237-5100

Officers: Bernard J. O'Keefe, chairman of the board & chief executive officer; Dean W. Freed, president & chief operating officer; Thomas L. Yount, Joseph Giuffrida, sr. vice presidents; Eugene J. White, sr. v.p.-finance; George H. Gage, Robert L. Hammon, David J. Beaubien, John M. Kucharski, Ronald W. Kiehn, Jean R. Erkelbout, Charles J. Lawson, Jr., Charles C. Francisco, Samuel Rubinovitz, v.p.'s; Leo M. Kelly, general counsel & clerk; John R. Dolan, controller; Louis P. Valente, treasurer; John S. Donahue, Murray Gross, asst. clerks; James L. McGuiness, Robert F. O'Brien, asst. treasurers.

Directors: Bernard J. O'Keefe, Dean W. Freed, Herbert E. Grier, Kent F. Hansen, Patrick J. James, Roderick M. MacDougall, John N. Philips, William F. Pounds, Joseph F. Turley, Robert F. Goldhammer.

Divisions and Subsidiaries:

EG&G Ortec
100 Midland Road
P.O. Box C
Oak Ridge, Tennessee 37830
(615) 482-4413 or 4411

ORTEC is a leading supplier of nuclear radiation detectors and associated electronic modules and instruments used in physics research. ORTEC is also prominent in two technically related areas: materials analysis and life sciences. In both areas, ORTEC's computerized, on-line data analysis systems based on nuclear and electronic measurement techniques are used by industry and by biomedical researchers. Materials analysis instrumentation includes x-ray energy/wavelength dispersive microanalysis systems, tube-excited fluorescence analyzers, and gamma spectroscopy systems. Life sciences systems are those for electrophoresis, electrophysiology, flourescence scanning, and cerebral blood flow analysis.

EG&G Sealol
15 Pioneer Avenue
Warwick, Rhode Island 02888
(401) 781-4700

EG&G Sealol designs and manufactures mechanical sealing devices of all types for rotating shafts in aircraft, ships, nuclear submarines, nuclear power plants, automobiles, home appliances, and process pumps in refineries, petrochemical plants, and chemical processing industries and in the mining, drilling, and dredging industries. The Sealol Group maintains a global network of subsidiary operations, joint ventures, and licenses and is today the world's second largest seal supplier. Its welded metal bellows and mechanical face seals accommodate the temperatures, pressures, and speeds essential to energy efficiency in power-generating devices ranging from gas turbine jet engines to process pumps. Its stainless steel bellows seals for process pumps contain the harshest of abrasive slurries and have wide application in the mining, dredging, and petrochemical industries.

EG&G Sealol-Industrial Division
50 Sharp Drive
Howard Industrial Park
Cranston, Rhode Island 02920
(401) 463-8700

EG&G Sealol-Engineered Products Division
15 Pioneer Avenue
Warwick, Rhode Island 02888
(401) 781-4700

EG&G Sealol-Industrial Division
7440 West Lawrence Avenue
Chicago, Illinois 60656
(312) 867-5000

EG&G Electronic Components Division
35 Congress Street
Salem, Massachusetts 01970
(617) 745-3200

Maufactures miniature and high-energy switching devices, maintains tube production facilities for contract work.

EG&G Electro-Optics Division
35 Congress Street
Salem, Massachusetts 01970
(617) 745-3200

Designs and manufactures triggered spark gaps, special pulse transformers, flash tubes and highspeed light sources, solid-state light detection devices and instruments for the characterization of pulsed and continuous light sources.

EG&G Wakefield Systems
EG&G Wakefield Components
Audubon Road
Wakefield, Massachusetts 01880
(617) 245-5900

Develops and markets thermal dissipation devices for electronic components and systems for life-testing of integrated circuit devices.

EG&G Environmental Equipment Division
151 Bear Hill Road
Waltham, Massachusetts 02154
(617) 890-3710

Designs and manufactures oceanograhic, meteorological and geophysical instruments and systems for pollution monitoring, research, and industrial applications. Instrumentation line includes side-scan sonar, seismic profiling systems, electromagnetic current meters, dew point hygrometers, anemometers, temperature recorders, and visibility meters.

EG&G Bionomics
Marine Research Laboraory
10307 Gulf Beach Highway
Pensacola, Florida 32507
(904) 492-0515

Specializes in laboratory toxicology studies of aquatic life to measure precisely what levels of water pollution are harmful or fatal to different species. Provides measurement studies for the nation's leading manufacturers or processors of oil, detergents, pesticides, industrial chemicals, fertilizers and drugs, and for agencies of the Federal Government responsible for establishing environmental standards.

EG&G Environmental Consultants
151 Bear Hill Road
Waltham, Massachusetts 02154
(617) 890-3710

EG&G's Environmental Consultants offer world wide consulting services to government and industry. Its areas of expertise include meteorology, chemistry, biology, geology, oceanography, hydrology, radio-ecology, data processing, predictive modeling, and demography. The group acquires and interprets data from terrestrial, atmospheric, and aquatic environments for application to siting and construction of manufacturing and processing plants, nuclear and fossil fuel power stations, and marine terminals; for drill rig siting and pipeline routing; and for port, harbor, estuary, and river engineering.

EG&G Princeton Applied Research
7 Roszel Road
P.O. Box 2565
Princeton, New Jersey 08540
(609) 452-2111

Manufacturer of specialized electronic instruments and system for a variety of testing, measurement, research and analytical applications.

EG&G GeoMetrics
395 Java Drive
Sunnyvale, California 94086
(408) 734-4616

Develops and manufactures geophysical survey instrumentation and conducts airborne and ground-based surveys for uranium exploration interests, mining and petroleum companies, and energy-resource agencies of government.

EG&G Special Projects Division
2769 South Highland Avenue
Box 15110
Las Vegas, Nevada 89114
(702) 732-1037

Provides research, development and technical services in support of scientific test programs for agencies of the Federal Government.

Arno-Rotron Equipamentos Electriocos Ltda.
Sao Paulo, Brazil
(joint venture)

EG&G Washington Analytical Services Center
6801 Kenilworth Avenue
P.O. Box 398
Riverdale, Maryland 20840
(301) 779-2800

Design, development, and planning programs for the U.S. Navy and a variety of acoustics studies for federal agencies and regulatory bodies. EG&G maintains and operates a fully equipped oceanographic research vessel for conduct of Navy sea trials. Supports Navywide programs to gather data showing the extent to which the environment is affected by its ships, aircraft, and shore installations. Also supports major Navy ship, submarine, and weapon-system programs involving a variety of sonar, fire control, weapon, and counter-measure projects.

Provides instrumentation, research, development, and technical services in support of DOD scientific test programs. Specific areas of interests include environmental studies; electromagnetic pulse investigation, field testing, and evaluation of systems; and electro-optics.

EG&G Energy Measurements Group
Group Headquarters
680 East Sunset Road
P.O. Box 1912
Las Vegas,Nevada 89101
(702) 739-0281

Through its DOE Support Group, EG&G is a prime contractor for technical and scientific support to the underground weapons-test program conducted by the Energy Research and Development Administration at the Nevada Test Site. The total effort, carried out at five operating locations, serves DOE's Nevada Operations Office and two national laboratories, the Los Alamos Scientific Laboratory in New Mexico and the Lawrence Livermore Laboratory in California. EG&G nuclear-related activities are focused on the design and fabrication of nuclear and diagnostic canisters, timing and control instrumentation, and sophisticated oscilloscope and digital readout systems for measuring nuclear device performance. EG&G responsibilities also encompass airborne radiation surveillance, the microminiaturization of electronic systems, and research and development in nuclear areas of interest to the government and its national laboratories.

EG&G Energy Measurement Group
Kirtland Operations
P.O. Box 4339, Station A
Albuquerque, New Mexico 87196
(505) 846-0232

EG&G Energy Measurement Group
Aerial Measurement Operations
6456 South Escondido Avenue
Las Vegas, Nevada 89119
(702) 739-0511

EG&G Energy Measurements Group
Las Vegas Operations
North Las Vegas Facility
316 East Atlas Circle
North Las Vegas, Nevada
(702) 647-5212

EG&G Energy Measurements Group
Los Alamos Operations
1100 4th Street
P.O. Box 809
Los Alamos, New Mexico 87544
(505) 667-7480

EG&G Energy Measurements Group
San Ramon Operations
P.O. Box 204
2801 Old Crow Canyon Road
San Ramon, California 94583
(415) 837-[illegible]381

EG&G Energy Measurements Group
Santa Barbara Operations
P.O. Box 98
130 Robin Hill Road
Goleta, California 93116
(805) 967-0456

EG&G Energy Measurements Group
Cathode Ray Tube Operations
19 Wheeling Avenue
Woburn, Massachusetts 01801
(617) 935-0416

EG&G Energy Measurements Group
Morgantown Energy Research Center
Collins Ferry Road
P.O. Box 880
Morgantown, West Virginia 26505
(304) 599-7515

EG&G Energy Measurements Group
Aerial Measurements Systems
Andrews Air Foce Base
Washington, D.C.
(301) 763-7115

Reynolds Electrical & Engineering Co.
2501 Wyandotte Street
Post Office Box 14400
Las Vegas, Nevada 89114
(702) 734-3448

Major prime-contractor for management and support functions at the Department of Energy's Nevada Test Site (NTS): REECo is EG&G's largest subsidiary operation, with some 3,200 employees serving the 1,360 square miles of the test site area. The firm is responsible for all deep-hole drilling, mining, and construction work; for the maintenence of housing, utilities, roadways, and communications facilities; for radiation safety and medical services; and for a variety of other services essential to the operation of the test site. Under DOE assignment, REECo also provides drilling, construction, communications, medical, and advisory services to off-site programs of interest to the government. Present activities off-site encompass support to experimental projects devoted to geothermal technology and natural gas recovery and to assessment of radiological conditions at off-continent nuclear testing areas in Alaska and in the Pacific.

EG&G Idaho
P.O. Box 1625
Idaho Falls, Idaho 83415
(208) 526-0111

Operates government-owned facilities for research and development in physics, materials, and heat transfer; nuclear waste management; and geothermal and other nonnuclear energy. Provides specialized research, development, and testing for DOE and NRC reactor safety programs and support services for the Idaho National Engineering Laboratory site.

EG&G Automotive Research
5404 Bandera Road
San Antonio, Texas 78238
(512) 684-2310

Provides automotive testing services, concentrating primarily on engine emissions, but also involving life, durability, and safety testing of fluids, components and accessories. Listed as a recognized emission laboratory by the Environmental Protection Agency. Its testing laboratories, test fleets, and test tracks represent the most comprehensive testing facilities in the country and provide a broad, total service to the major automotive and tire manufacturers and the leading oil and chemical firms in the United States.

EG&G Mason Research Institute
57 Union Street
Worcester, Massachusetts 01608
(617) 791-0931

Current activities include cancer, narcotic antagonists, and birth control research undertaken for the National Institutes of Health, and particularly the National Cancer Institute. Active in the fields of biochemistry, immunology, pathology, and pharmacology.

EG&G Millers Falls Paper Company
Millers Falls, Massachusetts 01349
(413) 659-3911

Produces specialized high quality papers for business and technical fields.

EGG&G Rotron
DuBois Road
Shokan, New York 12481
(914) 657-6661

Manufactures electromechanical air-moving devices for the computer, materials handling, and pollution control industries.

EG&G Reticon
345 Potrero Avenue
Sunnyvale, California 94086
(408) 738-4266

Designs and manufactures image-sensing photodiode arrays for application in facsimile, optical character recognition, point of sale, and other scientific instruments and systems. Also designs and manufactures special camera systems for noncontact measurement, inspection, and control in manufacturing processes and analog memory delay products used in the processing of audio and video signals.

Torque Systems, Inc.
36 Arlington Street
Watertown, Massachusetts 02172
(617) 924-6000

Designs and manufactures servo motors, tachometers, servo amplifiers, and analog and digital servo control systems used in the control and positioning of computer printing heads, disc drives, and industrial machines.

EG&G Instruments, Inc.
501 Lafayette Drive
P.O. Box Z
Oak Ridge, Tennessee 37830
(615) 482-4411

EG&G Information Systems
129 Middlesex Turnpike
Burlington, Massachusetts 01803
(617) 273-3200

EG&G Instruments
  Sao Paulo, Brazil
  Bracknell, England
  Rungis, France
  Milan, Italy
  Nieuwegein, Netherlands
  Munich, West Germany

EG&G Sealol
  Cairo, Egypt
  Nanterre, France
  Bombay, India
  County Clare, Ireland
  Milan, Italy
  Kuwait, Kuwait
  Monterrey, Mexico
  Marcaibo, Venezuela
  Kelkheim, West Germany
  Windsor & High Wycombe, England
  Dorval, Quebec Canada
  Mississauga, Ontario Canada
  Edmonton, Alberta Canada

EG&G Geometrics
  Arncliff, Australia
  Toronto, Canada

EG&G Environmental Consultants
  South Perth, Australia
  Singapore

EG&G Princeton Applied Research
  Brookdeal Electronics
  Bracknell, England

EG&G Wakefield Engineering
  Tijuana, Mexico

Rotron, Inc.
  Breda and Oosterhout, Netherlands

EG&G Reticon
  Bracknell, Berkshire, England
  Munich, West Germany

EG&G Sea-Link Systems
2818 Towerview Road
Herndon, Virginia 22070
(703) 471-6703

Markets a variety of acoustic oceanographic equipment and systems ranging from release systems designed for the recovery of mooring arrays to telemetry equipment, acoustic transponder navigation systems, current measuring systems, and data collection instruments.

EG&G SynFuels, Inc.
Massachusetts

Investigates the technical, environmental, and economic feasibility of constructing a large, synthetic fuel plant to produce medium BTU gas from coal.

Chandler Engineering Inc.
P.O. Box 4645
7707 East 38th Street
Tulsa, Oklahoma 74145
(918) 627-1740

Manufactures high-precision measuring and calibrating instruments for the oil and gas industries.

Almond Instruments Company, Inc.
13300 East Cypress Street
Covina, California 91724
(213) 967-9521

Develops and manufactures custom power conversion systems for military and industrial applications.

GES Pty. Ltd.
Brisbane, Queensland
Australia

Performs seismic studies for petroleum and mineral companies in Australia.

EG&G Hydro
45 William Street
Wellesley, Massachusetts 02181
(617) 237-5100

Involved in privately developed low-head hydro projects in the Northeast.

Affiliates:

KLA Instruments Corporation
2501 Mission College Boulevard
Santa Clara, California 95050
(408) 988-6100

Specializes in the development of electronic image-analysis systems.

Eagle Industry Company (joint venture)
12-15 Shiba-Daimon 1-chome
Minato-ku, Tokyo, 105
Japan

Manufactures seals and valves for use in the home appliance, chemical processing, marine, aircraft, and utility industries.

Medical Information Technology
225 Bent Street
Cambridge, Massachusetts 02141
(617) 354-3000

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: EGG

Number of Employees:

1981	18,000	1978	15,000
1980	17,000	1977	13,900
1979	15,500		

Sales and Earnings †

	Net Sales ‡	Net Income
1981	704,161,000	34,119,000
1980	618,312,000	26,905,000
1979	529,347,000	21,456,000
1978	445,581,000	16,980,000
1977	380,381,000	13,444,000

	No. of Com. Shares +	Earn. per Share +
1981	28,261,920	1.21
1980	17,779,012	0.97
1979	27,191,064	0.79
1978	27,711,748	0.60

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation and to reflect change in expensing for pension plan.

‡ Includes contract revenues.

+ Based on weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Instruments	$ 99,932,000	$ 95,945,000
Components	204,103,000	202,009,000
Environmental & biomedical service	63,714,000	44,333,000
Custom services & systems	111,314,000	68,982,000
Dept. of energy tech. support	212,788,000	194,971,000
Other	12,310,000	12,072,000
Total	$ 704,161,000	$ 618,312,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.25	—	2-for-1
1980	0.20	—	—
1979	0.15	—	2-for-1
1978	0.11	—	—
1977	0.09	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share #
1981	137,738,000	4.87
1980	109,962,000	3.96
1979	84,031,000	3.09
1978	65,115,000	2.35

† Restated.

‡ After allowing for preferred stock at liquidation value of $100 per share.

Based on weighted average number of common shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/3/82	12/28/80 ‡
Net sales	$ 704,161	$ 618,312
Cost of sales	559,993	486,976
Expenses	92,082	84,998
Fee from non-tech. supp. serv.	4,537	3,661
Other expenses (income)	(4,301)	507
Income before taxes	$ 60,924	$ 49,492
Income taxes	26,805	22,587
Net Income	$ 34,119	$ 26,905

* Included in Costs and Expenses, Depreciation and Amortization: $7,833,000 in 1981 and $6,321,000 in 1980.

‡ Restated.

Assets
(000's)

As of	1/3/82	12/18/80 ‡
Cash	$ 3,218	$ 5,8[illegible]
Short-term invest.	48,974	34,441
Accts. receiv., net	84,212	75,543
*Inventories	46,685	47,399
Other curr. assets	5,326	5,435
Current Assets	$ 188,415	$ 168,706
#Fixed assets	25,457	24,689
Other assets	11,477	7,297
Total Assets	$ 225,349	$ 200,692

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 2,309	$ 1,490
Acct. payable	26,947	27,790
Accruals	35,276	33,970
Income taxes	3,161	9,036
Curr. Liabilities	$ 67,693	$ 72,286
Long-term debt	10,798	12,479
Deferred inc. taxes	6,059	3,080
Other liabilities	3,061	2,925
+ Common stock	28,479	14,030
Add. paid-in capital	438	10,766
Retained earnings	112,334	85,166
Cum. trans. adjust.	(1,130)	—
Treasury stock	(2,374)	—
Total Liabilities & Shareholders' Equity	$ 225,349	$ 200,692

‡ Restated.

* At lower of cost (Primarily LIFO) or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.65	8.00
%Net Income to Sales	4.85	4.35
%Net Income to Equity	24.77	24.47
Sales to Inventories	15.08	13.04
Working Capital	$120,722,000	$ 96,420,000
Current Ratio	2.78	2.33
Shareholders' Equity	$137,738,000	$109,962,000

E-H International, Inc.

690 East Trimble Road
San Jose, California 95231
(415) 946-9100

Officers: Joseph J. McDowell, chairman of the board, president & chief executive officer; Robert G. Bonato, v.p. & general manager; P.K. Fuller, v.p. & chief financial officer; Paul E. Goodale, v.p.-research; Richard Hill, president, Minicomputer Technology, Inc.; G. Richard Peterson, president-Golden Technology, Inc.; Ewing B. Smith, v.p.-Golden Technology, Inc.; Richard W. Woods, v.p.-Digital Products.

Directors: Joseph J. McDowell, chairman; Kenneth S. Carey Reginald R. Kearton, William Lashlee, Ronald L. Ludwig, G Richard Peterson, W.W. Vallandigham.

Areas of Work: Designs, engineers and manufactures pulse generators, oscilloscopes, memory test systems, and semiconductor test systems, "PROM" programmers and microprocessor analysis systems.

Operating Groups:

Electronic Instrumentation Group

E-H International, Inc.
7303 Edgewater Drive
Oakland, California 94621
(415) 638-5656

MiniComputer Technology, Inc.
2470 Embarcadero Way
Palo Alto, California 94303
(415) 856-7400

Printed Circuit Board Group

Golden Technology, Inc.
3475 Edward Avenue
Santa Clara, California 95050
(408) 988-5161

Golden Engineering
78 Hanger Way
Watsonville, California 95076

Transfer Agent(s):

Wells Fargo Bank, N.A.
P.O. Box 44011
San Francisco, California 94120

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EHIL (NASDAQ)

Sales and Earnings +

	Revenues	Net Income
1981	$ 9,714,000	$ (192,000)
1980	11,199,000	(395,000)
1979	10,082,000	(250,000)
1978	9,206,000	216,000
1977	8,807,000	518,000

	No. of Com. Shares	Earn. per Share #
1981	1,963,793	$ —
1980	1,496,976	—
1979	1,421,206	—
1978	1,148,437	0.19

(Loss)

+ Restated to include operations of companies acquired on a pooling of interests basis.

Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,975,000	$ 1.51
1980	1,455,000	0.97
1979	1,658,000	1.17
1978	1,183,000	1.03

Income Account *
(000's)

Year ended Sept. 30	1981	1980 ‡
Net sales	$ 9,714	$ 11,199
Cost of sales	6,479	7,349
Expenses	2,994	3,930
Oper. profit (loss)	$ 241	$ (80)
Gain on sale	—	(104)
Interest expense	433	404
Loss bef. Taxes	$ (192)	$ (380)
Income taxes	—	15
Net Loss	(192)	(395)

‡ Restated.

* Included in Costs and Expenses, Depreciation and Amortization: $334,000 in 1981 and $371,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 32	$ 53
Receiv., net	2,773	2,542
*Inventories	2,720	2,599
Prepaid expenses	86	70
Current Assets	$ 5,611	$ 5,224
#Fixed assets	822	839
Notes receiv.	300	—
Other assets	100	109
Intangibles	345	472
Total Assets	$ 7,178	$ 6,644

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 991	$ 868
Accts. payable	872	1,100
Accrued expenses	587	754
Curr. Liabilities	$ 2,450	$ 2,722
Long-term debt	1,753	2,467
+ Common stock	1,964	1,497
Add. paid-in capital	1,011	1,654
Accumulated deficit	—	(1,696)
Total Liabilities & Shareholders' Equity	$ 7,178	$ 6,644

E-H International, Inc.

‡ Restated.
* At lower of cost (substantially FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.57	4.38
Working Capital	$3,161,000	$2,502,000
Current Ratio	2.29	1.92
Shareholders' Equity	$2,975,000	$1,455,000

EIP Microwave, Inc.

4500 Campus Drive
Newport Beach, California 92660
(714) 540-6655

Officers: John F. Bishop, chairman of the board; Mark K. Howlett, vice chairman of the board; L.R. Foster president; Richard A. Bush, v.p.-sales; Howard P. Lurie, v.p.-marketing; Larry F. Miller, v.p.-engineering; E.W. Wodiske, v.p.-mfg.; George D. Clark, chief financial officer; Hugh R. McDonald, secretary.

Directors: John F. Bishop*, Mark K. Howlett*, Burgess Dempster, J. Bradford Bishop, Robert D. Johnson, J. Sidney Webb.

*Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets electronic test instrumentation, including pecision digital voltmeters, automatic microwave frequency counters and electronic signal sources.

Transfer Agent(s):

United California Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EIPM (NASDAQ)

Sales and Earnings

	Net Sale ‡	Net Income ‡‡
1981	$ 10,631,000	$ 750,000
1980	7,577,000	48,000
1979	8,363,000	944,000
1978	7,500,000	2,083,000
1977	4,510,000	2,081,000

	No. of Com. Shares	Earn. per Share ‡‡#
1981	1,135,058	$ 0.67
1980	1,047,545	0.04
1979	1,034,412	0.82
1978	1,098,699	1.81
1977	1,085,616	1.25

‡ Of continuing operations only.
‡‡ Including extraordinary credits $362,000 ($0.22 per share) in 1977.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.08	—	—
1979	0.16	—	—
1978	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,928,000	$ 2.58
1980	2,085,000	1.99
1979	2,116,000	2.05
1978	5,569,000	5.07
1977	6,915,000	6.37

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 10,631,000	$ 7,577,000
Cost of sales	5,028,000	4,000,000
Expenses	6,213,000	3,583,000
Interest expense	50,000	211,000
Income (loss) before taxes	$ 1,221,000	$ (217,000)
Income tax (credit)	471,000	(265,000)
Net Income	$ 750,000	$ 48,000

*Included in Costs and Expenses, Depreciation and Amortization: $269,000 in 1981 and $320,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 350,000	$ 242,000
Accts. receiv. net	1,421,000	1,556,000
Prepaid inc. taxes	216,000	163,000
*Inventories	2,213,000	1,719,000
Prepaid expenses	27,000	8,000
Current Assets	$ 4,227,000	$ 3,688,000
# Fixed assets	671,000	337,000
Other assets & investments	273,000	155,000
Total Assets	$ 5,171,000	$ 4,380,000

Liabilities

Short-term debt.	$ —	$ 250,000
Long-term debt. curr.	—	88,000
Accounts payable	745,000	600,000
Accruals	977,000	846,000
Income taxes	321,000	313,000
Curr. Liabilities	$ 2,043,000	$ 2,097,000
Deferred income tax	46,000	27,000
Deferred gain on sale	154,000	171,000
+ Common stock	661,000	458,000
Retained earnings	2,267,000	1,627,000
Total Liabilities & Shareholders' Equity	$ 5,171,000	$ 4,380,000

*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	25.61	2.30
Sales to Inventories	4.80	4.40
Working Capital	$2,184,000	$1,591,000
Current Ratio	2.07	1.75
Shareholders' Equity	$2,928,000	$2,085,000

Electric Regulator Corporation

Pearl Street
Norwalk, Connecticut 06852
(203) 847-0431

Officers: James Ettinger, president; Richard J. Warren, executive v.p.; Archibald M. Tomlinson, treasurer; Christian Otteson, v.p.; Stephen A. Malone, secretary.

Directors: James Ettinger, Richard J. Warren, Christian Otteson.

Areas of Work: Products include: direct current motors, controls and operators' stations for fractional ratings to 1,000 HP; combination of solid state braking accessory with standard DC drives for specialized uses in metal cutting, winding, paper converting; fully controlled acceleration and deceleration for smooth starting, stopping and braking of alternating current induction motors; solid state control systems for electric vehicles such as fork lift trucks, utility vehicles and construction machinery; high power semiconductors for controlling AC or DC power.

Subsidiaries:

Power Semiconductors, Incorporated
Electricar Corp.
Electric Regulator International, Inc.

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	123	1977	125
1979	127	1976	125
1978	125		

Plant Footage:

1980	55,000 sq. ft.	1977	55,000
1979	55,000	1976	55,000
1978	55,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 6,544,832	$ (199,465)
1980	6,615,397	253,019
1979	6,811,765	197,712
1978	6,786,515	130,239
1977	6,622,259	119,440

	No. of Com. Shares ‡	Earn. per Share ‡ #
1981	1,115,676	$ 0.18
1980	1,115,676	0.23
1979	1,115,676	0.18
1978	1,115,676	0.11
1977	1,381,188	0.09

(Loss)
‡ Based on the average number of shares outstanding.
# Including extraordinary gain of $77,492 ($0.07 per share) in 1980 and $45,777 ($0.04 per share) in 1978.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 1,316,255	$ 1.18
1980	1,515,720	1.36
1979	1,262,701	1.13
1978	1,064,989	0.94
1977	969,750	0.70

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 6,544,832	$ 6,615,397
Cost of sales	4,602,216	4,332,189
Expenses	2,227,685	2,099,932
Other income	—	(120,400)
Interest expense	74,396	23,519
Income (loss) before taxes	$ (359,465)	$ 280,157
Income taxes (credit)	(160,000)	104,630
Net Income (Loss)	$ (199,465)	$ 175,527
Extraord. gain	—	77,492
Net Income (Loss) & Extraord. Gain	$ (199,465)	$ 253,019

* Included in Costs and Expenses, Depreciation and Amortization: $137,882 in 1981 and $144,927 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 501,134	$ 538,542
Receiv., net	881,686	700,702
*Inventories	1,347,292	2,336,112
Prepaid inc. taxes	104,433	104,433
Prepaid expenses	54,384	78,290
Income taxes	71,405	—
Current Assets	$ 2,960,334	$ 3,758,079
Cash value of life ins.	51,988	23,863
#Fixed assets	126,914	240,725
Total Assets	$ 3,139,236	$ 4,022,667

Liabilities

Notes payable	$ 200,000	$ 550,000
Accts. payable	458,673	535,730
Accruals	909,509	1,044,330
Accrued warranty costs	200,000	200,000
Income taxes	—	122,088
Curr. Liabilities	$ 1,768,182	$ 2,452,148
Deferred inc. taxes	54,799	54,799
+Common stock	111,568	111,568
Add. paid-in capital	2,166,767	2,166,767
Retained earnings	1,906,786	2,106,251
Reacquired stock	(2,868,866)	(2,868,866)
Total Liabilities & Shareholders' Equity	$ 3,139,236	$ 4,022,667

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.23
%Net Income to Sales	—	2.65
%Net Income to Equity	—	11.58
Sales to Inventories	4.86	2.83
Working Capital	$1,192,152	$1,305,931
Current Ratio	1.67	1.53
Shareholders' Equity	$1,316,255	$1,515,720

Electro Audio Dynamics, Inc.

98 Cutter Mill Road
Great Neck, New York 11021
(516) 466-5100

Officers: Siegfried Susskind, president & chief exec. officer; H. Ridgely Bullock, chairman of the board; Abraham A. Vogel, sr. v.p.-finance & administration & treasurer; Roger Cloutre, v.p.-electro mechanical products group; Scott L. Davis, v.p.-High Fidelity and Antenna Products Group, domestic; Robert P. Laino, v.p. & controller; Edward M. Siegel, secretary & general counsel; Stanley Zalkind, sr. v.p.

Directors: H. Ridgely Bullock*, chairman; Siegfried Susskind*, John I. Tansi, Herbert M. Stein*, Abraham A. Vogel.

*Member of Executive Committee.

Areas of Work: Manufactures audio and consumer electronics and electrical products including high fidelity systems and audio components, indoor TV and FM antennas, precision motors, circuit connecting devices, printed circuit boards, precision mechanical components, timing devices, sound measuring equipment and medical instrumentation.

Divisions and Subsidiaries:

Electro Mechanical Products Group

Technodyne Inc. (81.5% owned)

Acton Environmental Testing Corporation
533 Main Street
Acton, Massachusetts 01720
(617) 263-2933

Tests the reliability of components under various simulated conditions mainly for the military, NASA, and commercial programs.

Eastern Air Devices Motor Division
1 Progress Drive
Dover, New Hampshire 03820
(603) 742-3330

Produces high performance fractional and subfractional horsepower AC and DC motors, stepper, servo, instrument and gear motors. Also manufactures blowers used in computers, copying machines, communications apparatus and industrial control devices.

National Tel-Tronics Inc.
Meadville, Pennsylvania
(814) 724-6440

Makes terminal strips and boards for commercial and military use, plugs and jacks, anode connectors and related items for television, radio, and hi-fidelity equipment; also insulating materials, terminal and printed circuit boards.

Astro Circuit Corp.
100 Hale Street
Lowell, Massachusetts 01851
(617) 458-6440

Engineerings, designs and fabricates printed circuit boards sold to the electronic industry for use in subassemblies and modules.

American Electromedics Corp. (65% owned)
13 Sagamore Park Road
Hudson, New Hampshire 03051
(617) 263-3986

International-Peerless Group

Peerless Audio Manufacturing Corp.
40 Jytek Drive
Leominster, Massachusetts 01453
(617) 537-6001

Produces loudspeakers.

Peerless Fabrikkerne (India), Ltd.(51% owned)
Bombay, India

Manufactures loudspeaker systems.

Peerless Fabrikkerne A/S
Gladsaxe Ringvej
Copenhagen, Denmark

Manufactures loudspeakers, speaker systems, magnets and related products.

Peerless Elektronik G.m.b.H.
Vienna, Austria

Peerless Handelsgesellschaft G.m.b.H.
Vienna, Austria

Peerless MB G.m.b.H.
Obrigheim, Germany

Manufacturer of headphones and microphones.

Bretton International S.A.
Cluses, France

Maker of fishing reels, electro-mechanical timing devices and television motors.

Acquisition(s):

Triodyne Division

All Channel Products
42-40 Bell Plaza
Bayside, New York 11361
(212) 229-5900

Produces indoor television and FM antennas marketed under the trade name "Rembrandt" as well as under the private name of certain customers.

Joint Venture:

IEC International, Inc.

A joint venture with Kyoto Ceramic Co., Ltd. which acquired EAD's domestic high fidelity loudspeaker companies ae and Infinity Systems, Inc.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

United States Trust Company of New York
45 Wall Street
New York, New York 10005

J. Henry Schroder Bank & Trust Company
1 State Street
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: EAD

Number of Employees:

1980	1,741	1977	1,665
1979	1,796	1976	1,650
1978	1,930		

Plant Footage:

1980	986,000 sq. ft.	1977	1,051,000
1979	980,000	1976	93,211
1978	980,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 55,583,000	$ (3,141,000)
1980	78,401,000	(130,000)
1979	68,321,000	212,000
1978	67,886,000	2,522,000
1977	56,156,000	(1,495,000)

	No. of Com. Shares #	Earn. per Share #†
1981	1,781,874	$ —
1980	1,738,823	—
1979	2,033,525	0.07
1978	2,038,707	1.21
1977	2,495,291	—

(Loss)
† Including extraordinary gain of $40,000 in 1981 and $426,000 in 1980.
# Based on average number of common shares and common share equivalents outstanding.

Revenue By Line of Business

	1981	1980	1979	1978
High-fidelity & antenna prod. group	49%	63%	64%	68%
Electro-mechanical prod. group	51	37	36	32
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 14,861,000	$ 8.34
1980	17,173,000	9.88
1979	16,767,000	8.25
1978	17,155,000	8.41
1977 ‡	16,784,000	6.73

‡ After allowing for preferred stock at liquidating value of $100 per share.

Income Account *

Year ended	8/1/81	8/2/80
Net sales	$ 55,583,000	$ 78,401,000
Cost of sales	41,623,000	57,818,000
Expenses	10,515,000	16,878,000
Depreciation	1,452,000	1,715,000
Interest expense	4,493,000	4,640,000
Minority interest	(804,000)	(816,000)
Gain on sale	—	(866,000)
Loss before taxes	(1,696,000)	(968,000)
Income taxes (credit)	(363,000)	(412,000)
Loss before decrease in equity	(1,333,000)	(556,000)
Decrease in equity	(1,848,000)	—
Net Loss	(3,181,000)	(556,000)
Extraord. gain	$ 40,000	$ 426,000
Net Loss & Extraord. gain	(3,141,000)	(130,000)

Assets

As of	8/1/81	8/2/80
Cash	$ 3,557,000	$ 1,586,000
Accts. & notes receiv., net	10,065,000	13,177,000
*Inventories	17,543,000	28,203,000
Prepaid expenses	342,000	1,023,000
Current Assets	$ 31,507,000	$ 43,989,000
Notes receiv.	339,000	683,000
Investments	3,166,000	—
#Fixed assets	15,328,000	16,516,000
Other assets	2,056,000	2,247,000
Intangibles	6,057,000	8,227,000
Total Assets	$ 58,453,000	$ 71,664,000

Electro Audio Dynamics, Inc.

Liabilities

Notes payable	$ 4,842,000	$ 6,699,000
Long-term debt, curr.	2,472,000	2,539,000
Accts. payable	5,138,000	8,346,000
Accruals	2,845,000	3,475,000
Income taxes	67,000	200,000
Curr. Liabilities	$ 15,364,000	$ 21,259,000
Long-term debt	9,493,000	10,679,000
Sub. conv. deben.	15,195,000	16,034,000
Deferred inc. taxes	—	696,000
Other liabilities	3,329,000	5,232,000
Redeemable preferred stock	211,000	591,000
+ Common stock	2,857,000	2,793,000
Add. paid-in capital	12,781,000	12,001,000
Retained earnings	3,407,000	6,563,000
Treasury stock	(4,184,000)	(4,184,000)
Total Liabilities & Shareholders' Equity	$ 58,453,000	$ 71,644,000

* At lower of cost (weighted average or FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.17	2.78
Working Capital	$16,143,000	$22,730,000
Current Ratio	2.05	2.07
Shareholders' Equity	$14,861,000	$17,173,000

Electro Powerpacs Corp.

253 Norfolk Street
Cambridge, Massachusetts 02139
(617) 876-9220

Officers: Franklin W. Hobbs, president & treasurer; Henry Dormitzer, chairman of the board; Ralph S. Dormitzer, vice president-engineering; James F. Garrity, v.p. & controller; Francis P. Wilcox, Jr., clerk.

Directors: Franklin W. Hobbs, Henry Dormitzer, Kenneth W. Galeucia, Calvin W. Clayton, George M. Naylor, Jr., Charles Hardy Redd, Francis P. Wilcox, Jr.

Areas of Work: Produces emergency lighting equipment systems and electro optics equipment and systems.

Transfer Agent(s):

Boston Safe Deposit & Trust Co.
One Boston Place
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980 65

Plant Footage:

1980 . . . . . . 28,000 sq ft.

Sales and Earnings

	Net Sales	Net Income
1980	$ 2,422,911	$ 96,090
1979	2,020,482	59,167
1978	1,831,278	40,091
1977	1,744,465	50,163
1976	1,448,532	71,825

	No. of Com. Shares	Earn. per Share #
1980	506,520	$0.19
1979	506,520	0.12
1978	506,520	0.08
1977	474,020	0.09
1976	474,020	0.15

Based on average number of common shares and common share equivalents shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 715,105	$1.41
1979	619,015	1.22
1978	539,848	1.11
1977	508,007	1.07
1976	465,844	0.98

Income Account *

Year ended June 30	1980	1979
Net sales	$ 2,422,911	$ 2,020,482
Cost of sales	1,665,876	1,427,905
Expenses	542,215	469,586
Oper. profit	$ 214,020	$ 122,991
Interest expense	54,630	38,624
Income before taxes	$ 160,190	$ 84,367
Income taxes	64,100	25,200
Net Income	$ 96,090	$ 59,167

*Included in Costs and Expenses, Depreciation: $29,583 in 1980 and $23,320 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 30,884	$ 26,866
Accts. receiv., net	422,242	449,495
*Inventories	735,244	656,230
Prepaid expenses	11,045	16,758
Current Assets	$ 1,199,415	$ 1,149,349
# Fixed assets	141,008	107,357
Other assets	5,570	900
Total Assets	$ 1,345,993	$ 1,257,606

Liabilities

Notes payable	$ 154,000	$ 154,000
Long-term debt, curr.	9,653	25,873
Equip. note pay.	6,700	—
Mortgage payable	28,841	1,000
Accts. payable	137,780	137,432
Accruals	15,055	22,234
Curr. Liabilities	$ 352,029	$ 340,539
Long-term debt:		
Term loan	22,404	26,199
Equip. note pay.	35,243	—
6% Mortgage	—	29,496
7½% Subord. deben.	80,212	86,357
Notes payable	141,000	156,000
+ Common stock	50,652	50,652
Add. paid-in capital	8,500	8,500
Retained earnings	655,953	559,863
Total Liabilities & Shareholders' Equity	$ 1,345,993	$ 1,257,606

*At lower of cost or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes	6.61	4.18
%Net Income to Sales	3.97	2.93
%Net Income to Equity	13.44	9.56
Sales to Inventories	3.30	3.08
Working Capital	$ 847,386	$ 808,810
Current Ratio	3.41	3.38
Shareholders' Equity	$ 715,105	$ 619,015

Electrohome Limited

809 Wellington Street North
Kitchener, Ontario, Canada N2G 4J6
(519) 744-7111

Officers: J.A. Pollock, chairman of the board & chief executive officer; Stewart Maclellan, president & chief operating officer; D.S. Sykes, exec. v.p.; D.O. Dowey, v.p.-finance; H.H. LaFlur, v.p.-Electrohome & gen. mgr., Electronics Div.; W.D. McGregor, v.p.-Electrohome & pres., CAP Communications Limited; H.I. Eby, secretary-treasurer.

Directors: J.A. Pollock*, D.S. Sykes*, J.M. Bridgman*, Barbara L. Steele*, G.S. Dembroski, W.A. Moeser, S.A. Wilgar, Stewart Maclellan*.,

*Member of Executive Committee.

Areas of Work: Manufactures the following products for the home; stereo hi-fidelity instruments, televisions, humidifiers, air purifiers, dehumidifiers, air conditioners, furniture, tables, bedroom suites and dining room suites. Also manufactures the following commercial products; fractional horsepower motors, educational TV receivers, phonos, video monitors, high resolution color monitors, telidon displays, data display monitors, video games monitors, monochrome data/graphics projection monitors, CRT computer terminal displays, Earth/Satellite receiver amplifiers and printed circuit boards.

Subsidiaries:

Electrohome Communications Limited
809 Wellington Street North
Kitchener, Ontario, Canada
(519) 744-7111

CAP Communications Limited
864 King Street West
Kitchener, Ontario, Canada
(519) 578-1313

Transfer Agent(s):

Montreal Trust Company (common shares)
Toronto, Montreal & Winnipeg, Canada

National Trust Company, Limited (preferred shares)
Toronto, Montreal, Winnipeg & Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: EL

Number of Employees:

1981	2,739	1978	2,018
1980	2,561	1977	2,240
1979	2,418		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 232,181,000	$ 8,475,000
1980	183,985,000	15,793,000
1979	128,695,000	4,928,000
1978	98,224,000	698,000
1977	92,147,000	(3,106,000)

	No. of Com. Shares +	Earn per Share + #
1981	5,398,000	$ 1.64
1980	4,685,000	3.39
1979	4,568,000	1.07
1978	4,490,000	0.14
1977	4,479,000	—

(Loss)
*53 weeks.
+ Based on the weighted average number of Class A, Class B and common shares outstanding, adjusted to reflect stock split.
Including extraordinary gains of $6,247,000 ($2.02 per share) in 1980, $1,559,000 ($0.52 per share) in 1979, $17,000 ($0.01 per share) in 1978 and extraordinary loss of $19,000 in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	3-for-2

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 37,206,000	$ 6.89
1980	27,145,000	5.79
1979	11,381,000	2.49
1978	6,257,000	1.39

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/25/81	12/26/80
Net sales	$ 232,181	$ 183,985
Cost of sales & expenses	211,584	163,234
Depreciation	2,228	1,746
Interest expense	1,928	3,019
Other interest	2,240	1,167
Share in loss of joint venture	58	—
Income before taxes	$ 14,143	$ 14,819
Income taxes	5,668	5,273
Net Income	$ 8,475	$ 9,546
Extraord. gain	—	6,247
Net Income & extraord. items	$ 8,475	$ 15,793

Assets
(000's)

As of	12/25/81	12/26/80
Accts. receiv., net	$ 28,818	$ 22,872
*Inventories	48,882	28,229
Prepaid expenses	3,368	2,507
Recov. inc. taxes	—	56
Current Assets	$ 81,068	$ 53,664
# Fixed assets	17,917	14,763
Intangibles	2,003	1,873
Total Assets	$ 100,988	$ 70,300

Liabilities
(000's)

	12/25/81	12/26/80
Long-term debt, curr.	$ 655	$ 721
Accts. payable & accruals	28,600	16,707
Bank advances	17,809	9,066
Deferred income	3,338	3,196
Curr. Liabilities	$ 50,402	$ 29,690
Long-term debt	11,099	11,448
Deferred inc. taxes	1,214	534
+ Preferred stock	1,067	1,483
+ + Class A & Class B	6,404	4,341
Retained earnings	30,802	22,804
Total Liabilities & Shareholders' Equity	$ 100,988	$ 70,300

*At lower of cost & replacement cost or net realizable value.
Less accumulated depreciation.
+ $100 par value; 5½% cumulative.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.09	8.05
%Net Income to Sales	3.65	5.19
%Net Income to Equity	22.14	33.34
Sales to Inventories	4.75	6.52
Working Capital	$30,666,000	$23,974,000
Current Ratio	1.61	1.81
Shareholders' Equity	$38,273,000	$28,628,000

Electromagnetic Sciences, Inc.

125 Technology Park
Norcross, Georgia 30092
(404) 448-5770

Mailing Address:
P.O. Box 80508
Atlanta, Georgia 30366

Officers: John E. Pippin, president; William K. Alverson, v.p.-marketing; Joseph W. Simon, senior v.p.-operations; Thomas E. Sharon, v.p.-advanced development; Bruce R. Savage, v.p.-engineering programs; Don T. Scartz, v.p.-finance & treasurer; C. Edward Hansell, secretary.

Directors: John E. Pippin, Joseph W. Simon, Henry A. Bronner, C. Edward Hansell, C. Lester Hogan, Richard V. Holsinger, Jerry H. Lassiter.

Areas of Work: Develops, manufactures and markets a variety of microwave products including VHF and UHF coaxial circulators, waveguide and coaxial latching circulators, single channel monopulse converters, TR switches, latching pase shifters, microwave diversity switches, ferrite modulators, also designs and produces a complex console system, containing multiple digital control circuits, memory circuits, and read-out circuits.

Transfer Agent(s):

National Bank of Commerce
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELMG (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 9,565,300	$ 909,172
1980	6,282,297	403,099
1979	5,052,775	262,640
1978	3,770,507	214,459
1977	2,723,159	174,721

	No. of Com. Shares	Earn. per Share #
1981	1,344,319	$ 0.67
1980	1,209,725	0.39
1979	855,675	0.27
1978	852,625	0.22
1977	849,875	0.18

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 5,756,545	$ 4.28
1980	4,773,843	3.95
1979	1,993,862	2.33
1978	1,726,540	2.02
1977	1,504,450	1.77

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 9,565,300	$ 6,282,297
Cost of sales	6,989,054	4,674,308
Expenses	1,287,970	889,323
Interest income	(431,222)	72,581
Interest expense	148,326	(137,148)
Income before taxes	$ 1,571,172	$ 654,099
Income taxes	662,000	251,000
Net Income	$ 909,172	$ 403,099

* Included in Costs and Expenses, Depreciation and Amortization: $308,681 in 1981 and $228,418 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 644,363	$ 465,279
Marketable securities	4,264,938	1,956,124
Receiv., net	1,678,357	1,603,644
*Inventories	535,104	379,284
Prepaid expenses	15,550	11,301
Current Assets	$ 7,138,312	$ 4,415,632
#Fixed assets	3,725,853	2,262,082
Other assets	64,360	79,619
Total Assets	$ 10,928,525	$ 6,757,333

Liabilities

	1981	1980
Long-term debt, curr.	$ 78,776	$ 35,253
Accts. payable	697,668	317,257
Accrued payroll	598,807	348,372
Other accrued exp.	113,980	31,376
Pension expense	141,316	87,195
Income taxes	408,576	140,402
Curr. Liabilities	$ 2,039,123	$ 959,855
Long-term debt	2,811,352	790,130
Deferred comp.	47,288	37,288
Deferred inc. taxes	274,217	196,217
+Common stock	136,022	122,562
Add. paid-in capital	3,440,560	3,401,869
Capitalized retained earnings	1,441,824	—
Retained earnings	738,139	1,283,143
Treasury stock	—	(33,731)
Total Liabilities & Shareholders' Equity	$ 10,928,525	$ 6,757,333

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.43	10.41
%Net Income to Sales	9.50	6.42
%Net Income to Equity	15.79	8.44
Sales to Inventories	17.88	16.56
Working Capital	$5,099,189	$3,455,777
Current Ratio	3.50	4.60
Shareholders' Equity	$5,756,545	$4,773,843

Electronic Associates, Inc.

185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100

Officers: Gerald A. Hoyt, chairman of the board; Edward A. Petko, president & chief executive officer; Zygmund Reich, v.p.-engineering; Fred L. Martinson, v.p.-manufacturing; Edward C. Puth, v.p.-finance, treasurer & secretary; Milton Sanders, v.p.-new ventures; Edwin N. Millar, corporate controller; Lee C. Errickson, asst. treasurer; James E. Mericle, asst. secretary.

Directors: Arthur L. Adamson, Edward M. Block, Gerald A. Hoyt, Edward A. Petko, Richard L. Shetler, Arthur M. Vash, Edward C. Puth, Milton Sanders, Edward J. Smith.

Areas of Work: Develops, manufactures and services analog and hybrid computers for the following markets: aerospace and defense, chemicals and other process industries, transportation, nuclear-power and education. Also manufactures flight simulator systems and ENCAL energy measurement system which determines the energy content of natural gas.

Divisions and Subsidiaries:

EAI Realty Development Company
185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100

EAI-Electronic Associates, Pty., Ltd.
48 Atchison Street
St. Leonards, N.S.W. Australia

EAI-Electronic Associates (Japan), Inc.
9th Mori building
1-3 Shiba-Atago-cho, Minato-Ku
Tokyo, Japan 105

EAI-Electronic Associates SARL
25/27, Rue Ginoux
75737 Paris Cedex 15, France

Electronic Associates, Inc.

EAI-Electronic Associates GmbH
Franzstrasse 107
51 Aachen
West Germany

Transfer Agent(s):

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: EA

Number of Employees:

1981	963	1978	806
1980	862	1977	718
1979	815		

Plant Footage:

1981	312,000 sq. ft.	1978	373,000
1980	312,000	1977	373,000
1979	373,000		

Sales and Earnings

	Net Sales +	Net Income †
1981	$ 46,862,000	$ 1,867,000
1980	43,683,000	3,005,000
1979	38,707,000	3,419,000
1978	32,145,000	2,566,000
1977	26,431,000	48,000

	No. of Com. Shares	Earn. per Share † #
1981	2,750,559	$ 0.66
1980	2,746,059	1.06
1979	2,720,059	1.22
1978	2,764,000	0.92
1977	2,670,559	0.02

(Loss)

+ Of continuing operations; includes income from sales, service and rentals.

† Including extraordinary gains of $889,000 ($0.31 per share) in 1981, $1,246,000 ($0.44 per share) in 1980, $1,539,000 ($0.55 per share) in 1979, $1,059,000 ($0.38 per share) in 1978, and $34,000 ($0.01 per share) in 1977.

# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Computers & systems	34%	42%	52%	52%
Services	11	10	10	11
Utility & energy measure systems	40	34	23	24
Flight trainers	6	6	6	7
Mfg. subcontracts	9	8	9	6
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 18,049,000	$ 6.56
1980	16,162,000	5.89
1979	13,061,000	4.80
1978	9,599,000	3.47
1977	6,977,000	2.61

Income Account *
(000's)

Year ended	1/1/82	1/2/81
Net sales, service & rentals	$ 46,862	$ 43,683
Cost of sales, service & rentals	35,302	30,624
Expenses	9,764	9,692
Interest expense	139	190
Other income	(322)	(167)
Income before taxes	$ 1,979	$ 3,344
Income taxes	1,001	1,585
Net Income	$ 978	$ 1,759
Extraord. gain	889	1,246
Net Income & extraord. gain	$ 1,867	$ 3,005

* Included in Costs and Expenses, Depreciation and Amortization: $650,000 in 1981 and $547,000 in 1980.

[illegible]
(00[illegible]

As of	1/1/82	1/2/81
Cash	$ 2,081	$ 1,418
Marketable securities	1,050	3,100
Receiv., net	13,540	10,301
*Inventories	6,918	5,625
Prepaid expenses	116	99
Current Assets	$ 23,705	$ 20,543
#Fixed assets	4,688	4,165
Other assets	216	142
Total Assets	$ 28,609	$ 24,850

Liabilities
(000's)

Long-term debt, curr.	$ 1,559	$ 88
Accts. payable	2,773	2,499
Accruals	2,457	2,643
Customer prepayments	2,659	1,514
Income taxes	173	265
Curr. Liabilities	$ 9,621	$ 7,009
Long-term debt	939	1,679
+Common stock	2,751	2,746
Add. paid-in capital	27,994	27,979
Deficit	(12,696)	(14,563)
Total Liabilities & Shareholders' Equity	$ 28,609	$ 24,850

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.22	7.66
%Net Income to Sales	2.09	4.03
%Net Income to Equity	5.42	10.88
Working Capital	$14,084,000	$13,534,000
Current Ratio	2.46	2.93
Shareholders' Equity	$18,049,000	$16,162,000

Electronic Control Systems, Inc.

Post Office Box 1232
Fairmont, West Virginia 26554
(304) 363-8690

Officers: Michael E. Basile, president; Robert E. Harkins, vice president; Leo F. Modi, secretary and treasurer.

Directors: Michael E. Basile, Leo F. Modi, Robert E. Harkins, Paul L. Layman, William R. Newlin.

Areas of Work: Manufactures a line of temperature and power controls from a simple control loop to fabrication of complete panel systems, with all necessary instrumentation including controllers, power units, switchgear, alarm functions, computer back-up, recorders, and annunciators engineered and/or custom designed to customer's specifications. Major markets are manufacturers of electric furnaces, electric ovens, synthetic fibers, glass fiber glass, semi-conductor, plastic extruding and molding machinery.

Subsidiaries:

JBO Corporation

ECS International, Inc.
P.O. Box 1232
Fairmont, West Virginia 26554

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELCS (NASDAQ)

Number of Employees:

1981	96	1980	96

Plant Footage:

1981	39,000 sq. ft.	1978	39,000
1980	39,000	1977	39,000
1979	39,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 3,910,050	$ 105,284
1980	2,987,713	41,769
1979	2,751,496	121,577
1978	3,232,775	305,117
1977	2,605,044	116,471

	No. of Com. Shares #	Earn. per Share ‡ #
1981	903,5[illegible]	$ 0.11
1980	925,715	0.05
1979	929,165	0.13
1978	932,397	0.33
1977	940,830	0.12

(Loss)

‡ Including extraordinary credits of $98,288 ($0.11 per share) in 1978 and $23,729 ($0.02 per share) in 1977.

# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Temp. control devices	51%	49%	48%	51%
SCR power supply devices	46	48	47	46
Alarm systems	3	3	5	3
Total	100%	100%	100%	100%

Common Stock ‡

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.05	—	—
1980	0.05	—	—
1979	0.05	—	—

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 2,031,288	$ 2.25
1980	1,997,756	2.16
1979	2,009,392	2.16

† Restated to reflect reclassification of unpaid portion of capital stock subscriptions.

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 3,910,050	$ 2,987,713
Other income	86,997	59,826
Minority interest	(4,492)	(314)
Total income	$ 3,992,555	$ 3,047,225
Cost of sales	3,132,312	2,370,380
Expenses	715,783	623,209
Interest expense	25,005	15,254
Income before taxes	$ 119,455	$ 38,382
Income taxes (credit)	(14,171)	(3,387)
Net Income	$ 105,284	$ 41,769

*Included in Costs and Expenses, Depreciation and Amortization: $45,745,in 1981 and $42,838 in 1980.

Assets

As of Sept. 30	1981	1980 ‡
Cash	$ 212,286	$ 109,830
Marketable securities	299,427	369,352
Accts. receiv., net	458,998	245,301
*Inventories	799,746	871,954
Refund inc. tax	—	33,914
Prepaid expenses	33,280	41,495
Deferred income taxes	13,757	—
Current Assets	$ 1,817,494	$ 1,671,846
Investments	291,325	295,817
# Fixed assets	338,638	330,399
Intangibles	2,564	3,179
Total Assets	$ 2,450,021	$ 2,310,241

Liabilities

Notes payable	$ 136,820	$ 147,259
Accts. payable	161,297	67,058
Inc. taxes payable	26,844	211
Accruals	65,419	53,591
Other liabilities	534	7,655
Curr. Liabilities	$ 390,914	$ 275,774
Contract option payable	17,197	20,413
Deferred inc. taxes	10,622	7,298
+ Common stock	98,036	98,036
Add. paid-in capital	1,365,214	1,365,214
Retained earnings	707,588	648,405
Treasury stock	(93,381)	(67,730)
Amts. receiv. from officers	(46,169)	(46,169)
Total Liabilities & Shareholders' Equity	$ 2,450,021	$ 2,301,241

‡ Restated to reflect reclassification of unpaid portion of capital stock subscriptions.
*At lower of cost (FIFO or average) or market.
Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.06	—
%Net Income to Sales	2.69	1.40
%Net Income to Equity	5.18	2.09
Sales to Inventories	4.89	3.43
Working Capital	$1,426,580	$1,396,072
Current Ratio	4.65	6.06
Shareholders' Equity	$2,031,288	$1,997,756

Electronic Memories & Magnetics Corporation

16000 Ventura Boulevard
Encino, California 91436
(213) 995-1755

Officers: Trude C. Taylor, chairman of the board and president; James D. Norman, vice president; Raymond C. Lawhon, v.p.-finance.

Directors: Harry S. Derbyshire, C. Arnold Kalman, Will Richeson, Jr., Trude C. Taylor, John P. Del Favero, William R. Zimmerman.

Areas of Work: Engaged in the design, manufacture and sale of memory, magnetic and other ferrite products, including magnetic core memory systems, magnetic cartridge file and permanent magnets, magnetic ferrite materials, high technology ferrite components, small horsepower DC motors, and stainless steel castings.

Subsidiaries:

Electronic Memories International, N.V. (Netherlands Antilles)
Electronic Memories, Ltd. (United Kingdom)
Electronic Memories & Magnetics, GmbH (Germany)
Electronic Memories & Magnetics, S.A. (Belgium)
Electronic Memories & Magnetics (Kaohsiung) Corporation (Taiwan)
Electronic Memories & Magnetics (Taiwan) Corporation
Electronic Memories & Magnetics, Limited (Hong Kong)
EMM World Trade Corporation
Ferromagnetica, S.A. (Mexico)
Canada Alloy Castings, Ltd.
Tek-Devices Limited (Hong Kong)
IG-Mex (Mexico)
Severe Environment Systems Company
Peripheral Products, Inc.

Transfer Agent(s):

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: EMM

Number of Employees:

1981	3,000	1978	4,500
1980	3,400	1977	4,100
1979	3,400		

Plant Footage:

1981	1,117,000 sq. ft.	1978	1,368,000
1980	1,070,000	1977	1,272,000
1979	1,303,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 106,438,000	$ 1,486,000
1980	98,756,000	2,996,000
1979	106,690,000	2,605,000
1978	92,906,000	5,799,000
1977*	76,362,000	4,706,000

	No. of Com. Shares ×	Earn. per Share ×
1981	5,430,370	$ 0.08
1980	5,399,652	0.36
1979	5,392,539	0.29
1978	5,403,170	0.88
1977	5,389,002	0.68

* 53 weeks.
+ Of continuing operations only.
× Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Memory & computer prods.	$ 53,449,000	$ 45,613,000
Engineered materials	52,989,000	53,143,000
Total	$ 106,438,000	$ 98,756,000

Common Stock Equity ‡

	Total Equity †	Equity Per Share ×
1981	16,661,000	3.07
1980	16,177,000	3.00
1979	15,250,000	2.83
1978	13,678,000	2.53
1977	8,790,000	1.63

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
† After allowing for preferred stock at liquidation value of $20 per share.
× Based on the weighted average number of shares outstanding.

Income Account *

Year ended	12/26/81	12/27/80
Net sales	$ 106,438,000	$ 98,756,000
Cost of sales	81,764,000	73,577,000
Expenses	21,623,000	20,353,000
Interest expense	1,100,000	470,000
Gain on repurch. of bonds	(655,000)	(770,000)
Income before taxes	$ 2,606,000	$ 5,126,000
Income taxes	1,120,000	2,130,000
Net Income	$ 1,486,000	$ 2,996,000

*Included in Costs and Expenses, Depreciation and Amortization: $1,956,000 in 1981 and $2,196,000 in 1980.

Assets

As of	12/26/81	12/27/80 ‡
Cash	$ 2,100,000	$ 4,839,000
Accts. receiv. net	18,680,000	19,272,000
*Inventories	22,666,000	25,130,000
Prepaid expenses	369,000	408,000
Deferred inc. taxes	843,000	4,500,000
Assets of discont. oper.	-	807,000
Current Assets	$ 44,658,000	$ 54,956,000
#Fixed assets	12,909,000	12,408,000
Other assets	1,465,000	558,000
Total Assets	$ 59,032,000	$ 67,992,000

Liabilities

Notes payable	$ 2,000,000	$ 4,250,000
Long-term debt, curr.	-	690,000
Accts. payable	3,688,000	5,609,000
Accruals	5,887,000	7,157,000
Income taxes	451,000	2,226,000
Curr. Liabilities	$ 12,026,000	$ 19,932,000
Subord. guar. conv. bonds	7,800,000	9,450,000
Deferred inc. taxes	1,483,000	1,301,000
+Preferred stock	1,053,000	1,053,000
+ +Common stock	5,445,000	5,411,000
Add. paid-in capital	9,011,000	8,944,000
Retained earnings	22,264,000	21,831,000
Treasury stock	(50,000)	—
Total Liabilities & Shareholders' Equity	$ 59,032,000	$ 67,922,000

‡ Restated.
* At lower of cost (FIFO; LIFO for cobalt inventories) or market.
# Less accumulated depreciation.
+ $1 par value, cumulative.
+ + $1 par value.

Statistical Summary

%Income before Taxes to Sales	2.45	5.19
%Net Income to Sales	1.40	3.03
%Net Income to Equity	3.94	8.05
Sales to Inventories	4.70	3.93
Working Capital	$32,632,000	$35,024,000
Current Ratio	3.71	2.76
Shareholders' Equity	$37,723,000	$37,239,000

Electronic Modules Corporation

P.O. Box 141
Timonium, Maryland 21093
(301) 666-3300

Officers: Donald W. Ordun, chairman of the board; Robert E. Vogel, president, chief operating officer & treasurer; John E. Armstrong, Jr., v.p.-marketing; Ralph E. Bothne, v.p.-control systems products; David J. Houck, v.p.-staff; George M. Llewellyn, v.p.-data terminal products; Joseph Ritter, v.p.-manufacturing.

Directors: Donald W. Ordun, chairman; Joseph Ritter, Robert E. Vogel, John E. Armstrong, Jr., James P. McDonagh, Ralph E. Bothne, George M. Llewellyn, P. David Sowell, Nicholas V. Petrou.

Areas of Work: Manufactures data acquisition and control systems, particularly environmental control systems for large buildings and building complexes and process monitoring control systems for the petroleum, chemical and synthetic fiber industries. Also manufactures solid state instrumentation devices. Produces solid state circuit modules, integrated circuit assemblies and thick film circuit assemblies.

Electronic Modules Corporation

Subsidiaries:

Estimation, Incorporated
805 Barkwood Court
Linthicum Heights, Maryland 21090
(301) 636-5680

Markets estimating hardware and supporting software to the commercial and industrial construction fields.

EMC Controls, Incorporated
P.O. Box 242
Cockeysville, Maryland 21030
(301) 667-4800

Provides computer based data acquisition and control systems to the process industry and for the discrete part manufacturing industries. The subsidiary offers its line of modular systems under the EMCON label. All EMCON systems are characterized by a separation of hardware and software functions, and all have the same basic architecture; a software supported mini-computer (with peripherals) connected by a single I/O interface to any number of EMC remote multiplexers serving sensors and controllers in an industrial plant.

Emax, Incorporated
P.O. Box 371
Timonium, Maryland 21093
(301) 628-6011

Develops new markets in the fields of energy control and business automation by the application of advanced microprocessor technology. Manufactures solid state demand recorders and solid state cartridge readers enabling data to be transferred to a compute for storage and billing, for display on a CRT screen, or to a printer to produce a "hard copy" printout of the data for a permanent record.

Transfer Agent(s):

Mercantile-Safe Deposit and Trust Company
Baltimore, Maryland

Stock Exchange(s): Over-the-Couater

Ticker Symbol: EMOD (NASDAQ)

Number of Employees:

1981	465	1979	450
1980	467	1978	325

Plant Footage:

1981	204,550 sq. ft.	1979	110,000
1980	114,550		

Sales and Earnings

	Net Sales	Net Income
1981	$ 32,815,792	$ 2,141,310
1980	22,320,429	1,491,700
1979	14,455,987	1,079,744
1978	12,298,250	882,389
1977	8,689,956	471,804

	No. of Com. Shares ‡‡	Earn. per Share ‡‡
1981	2,121,000	$ 1.01
1980	2,005,000	0.75
1979	1,923,000	0.56
1978	1,776,000	0.50
1977	1,732,000	0.27

‡‡ Based on average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	50%	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 11,954,705	$ 5.82
1980	8,307,712	4.31
1979	6,795,105	3.55
1978	3,641,486	3.02
1977	4,283,317	2.52

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 20	1981	1980
Net sales	$ 32,815,792	$ 22,320,429
Cost of sales	17,242,365	12,606,325
Research and develop.	1,516,749	1,115,229
Expenses	10,180,818	5,619,607
Oper. income	$ 3,875,860	$ 2,979,268
Other income	(172,955)	(133,951)
Interest expense	379,981	262,630
Income before taxes	$ 3,668,834	$ 2,850,589
Income taxes	1,527,524	1,358,889
Net Income	$ 2,141,310	$ 1,491,700

* Included in Costs and Expenses, Depreciation and Amortization $591,796 in 1981 and $421,292 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 366,674	$ 399,194
Accts. receiv., net	8,612,150	6,318,591
Refund inc. taxes	2,329,033	—
*Inventories	7,341,981	4,790,598
Prepaid expenses	248,837	256,104
Current Assets	$ 18,898,675	$ 11,764,487
Investments	271,882	298,762
#Fixed assets	2,759,107	1,715,414
Restr. cash	448,400	—
Other assets	295,028	196,212
Intangibles	1,909,750	542,336
Total Assets	$ 24,582,842	$ 14,517,211

Liabilities

Notes payable	$ 2,050,000	$ 1,950,000
Long-term debt, curr.	150,000	—
Accts. payable	3,157,400	1,514,985
Progress payments and advances	961,746	567,350
Accruals	1,142,914	934,507
Income taxes	—	364,215
Deferred inc. taxes	3,779,262	756,068
Other accrued liab.	88,626	122,374
Curr. Liabilities	$ 11,329,948	$ 6,209,499
Long-term debt	1,298,189	—
+Common stock	205,557	128,646
Add. paid-in capital	4,501,096	3,051,555
Retained earnings	7,366,725	5,225,415
Net unrealized loss	(118,673)	(97,904)
Total Liabilities & Shareholders' Equity	$ 24,582,842	$ 14,517,211

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.18	12.77
%Net Income to Sales	6.53	6.68
%Net Income to Equity	17.91	17.96
Sales to Inventories	4.47	4.66
Working Capital	$ 7,568,727	$6,311,056
Current Ratio	1.67	2.16
Shareholders' Equity	$11,954,705	$8,307,712

Electronics Corporation of America

One Memorial Drive
Cambridge, Massachusetts 02142
(617) 864-8000

Officers: Arthur G.B. Metcalf, chairman of the board & president; Richard R.Glendon, v.p. & treasurer; Andre W. ter Meulen, v.p.-marketing; William Eisener, v.p.-operations; John L. Bala, v.p.-development engineering; Roy R. Scarpato, v.p.-industrial products engineering; E. Craig Thomson, v.p. & chief engineer; Guy W. Bragdon, Jr., v.p.-manufacturing; Stanley L. Davis, v.p.-photoswitch marketing; Philip K. Ryder, v.p.-Fireye marketing; Theodore D. Crandall, controller; D.A. Dunderdale, clerk.

Directors: Arthur G.B. Metcalf, chairman; R.F. Glendon, Andre W. ter Meulen, John R. Silber.

Areas of Work: Develops and manufactures "Fireye" computerized combustion safeguard controls and burner management systems for utilities, industrial and commercial oil and gas burner installations, for power plant boilers and process burners. Develops and manufactures general purpose and special function photoelectric and electronic controls and systems, electronic timers, and electronic level controls used in automation of industrial processes and the materials handling industry. Also markets a Universal Digital Management System for sequentially activating and controlling power switching devices.

Subsidiaries:

Electronics Corportation of America (Canada), Ltd.
Toronto, Ontario, Canada

Electronic Corporation of America (Great Britain) Limited
London, England

Electronic Corporation of America (International)
San Juan, Puerto Rico

Divisions:

ECA European Division
Brussels, Belgium

Transfer Agent(s):

United States Trust Company of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: ECA

Sales and Earnings

	Net Sales	Net Income
1981	$ 45,380,762	$ 5,810,732
1980	42,844,190	5,746,000
1979	36,622,413	4,444,302
1978	35,105,424	3,978,165
1977	33,060,019	2,675,160

	No. of Com. Shares #	Earn. per Share #
1981	1,773,000	$ 3.28
1980	1,689,000	3.40
1979	1,666,000	2.67
1978	1,657,000	2.40
1977	1,657,000	1.61

# Based on the average number of shares outstanding adjusted to reflect stock diviends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.31	—	—
1980	1.05	33⅓%	—
1979	0.68	50%	—
1978	0.60	—	—
1977	0.60	—	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 28,021,698	$ 15.55
1980	22,571,283	13.34
1979	18,724,000	11.21
1978	15,303,000	9.23
1977	12,319,000	7.43

† Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 45,380,762	$ 42,844,190
Cost of sales	27,491,679	25,180,188
Expenses	10,733,634	9,857,073
Interest and other expenses	1,703,089	1,717,121
Interest income	(819,922)	(1,029,082)
Income before taxes	$ 6,272,282	$ 7,118,890
Income taxes	461,550	1,372,890
Net Income	$ 5,810,732	$ 5,746,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,559,895 in 1981 and $1,404,530 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & govt. securities	$ 9,509,575	$ 4,631,161
Accts. receiv., net	9,738,872	9,506,321
Contracts	2,822,438	3,378,125
Refundable taxes	—	1,230,953
*Inventories	15,987,121	15,823,668
Prepaid expenses	486,758	536,102
Current Assets	$ 38,544,764	$ 35,106,330
#Fixed assets	12,326,920	10,349,049
Other assets & deferred charges	1,307,176	567,641
Intangibles	1	1
Total Assets	$ 52,178,861	$ 46,023,021

Liabilities

	1981	1980
Long-term debt, curr.	$ 1,431,294	$ 1,474,539
Cap. lease oblig.	309,184	262,832
Accts. payable	2,512,401	3,480,304
Accruals	578,155	382,269
Accrued payroll	1,174,255	852,690
Income taxes	325,864	1,265,945
Divided declared & payable	—	444,307
Curr. Liabilities	$ 6,331,153	$ 8,162,886
Long-term debt	15,646,912	12,078,207
Cap. lease oblig.	2,146,228	2,445,815
Deferred inc. taxes	32,870	764,830
+Common stock	1,852,798	1,742,798
Add. paid-in capital	6,743,651	4,900,262
Translation adjustment	(405,874)	
Retained earnings	20,195,217	16,292,317
Treasury stock	(364,094)	(364,094)
Total Liabilities & Shareholders' Equity	$ 52,178,861	$ 46,023,021

* At standard costs which approximate actual cost on a FIFO basis and do not exceed market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	13.82	16.62
%Net Income to Sales	12.80	13.41
%Net Income to Equity	20.74	25.46
Sales to Inventories	2.84	2.71
Working Capital	$32,213,611	$26,943,444
Current Ratio	6.09	4.30
Shareholders' Equity	$28,021,698	$22,571,283

Electronics, Missiles & Communications, Inc.

Susquehanna Street Extension
P.O. Box 68
White Haven, Pennsylvania 18661
(717) 443-9575

Officers: Victor L. Grassini, v.p.-finance & acting chief operating officer; Richard A. Teichman, Jr., sr. v.p.; Edward A. Kadler, v.p. & comptroller; James L. DeStefano, v.p.-applications engr.; James Fisher, v.p.-mfg.; Frank Docker, v.p.-engineering; H.P. Chalmers, treasurer; Martin D. Cohn, secretary; Kay Krull, asst. secretary.

Directors: Albert G. Babeaux, Shirley Chalmers, H.P. Chalmers, Virgil D. Angerman, Stanley Kutin.

Areas of Work: Manufactures UHF and VHF television transmitters and translators, 2500 MHz ITFS transmitters, repeaters, broadband converters, and other equipment for use in instructional television; Multi-point Distributions Service (MDS) 2150-2160 MHz transmitters and repeaters.

Subsidiaries:

Emcee International Sales, Inc.

Transfer Agent(s):

First National Bank of Minneapolis
120 South Sixth Street
P.O. Box A700
Minneapolis, Minnesota 55480

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ECIN

Number of Employees:

1982	140	1979	75
1981	95	1978	55
1980	76		

Plant Footage:

1982	27,000 sq. ft.	1979	27,000
1981	27,000	1978	27,000
1980	27,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 5,637,090	$ 588,080
1980	4,198,239	397,382
1979	3,096,901	230,423
1978	2,008,247	40,588
1977	1,871,471	(66,788)

	No. of Com. Shares	Earn. per Share +
1981	2,760,512	$ 0.21
1980	2,760,512	0.14
1979	2,760,512	0.08
1978	2,760,512	0.01
1977	2,760,512	—

(Loss)
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,287,127	$ 0.83
1980	1,699,047	0.62
1979	1,301,665	0.47
1978	1,071,242	0.39
1977	1,030,654	0.37

Income Account *

Year ended March 31	1981	1980
Revenues	$ 5,637,090	$ 4,198,239
Cost of sales	3,221,670	2,486,761
Expenses	1,197,210	920,427
Other charges	35,001	19,605
Research and development	75,129	37,064
Income before taxes	$ 1,108,080	$ 734,382
Income taxes	520,000	337,000
Net Income	$ 588,080	$ 397,382

* Included in Costs and Expenses, Depreciation: $77,681 in 1981 and $61,839 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 196,094	$ 195,451
Accts. & notes, receiv. net	1,567,652	1,462,742
* Inventories	1,390,000	898,000
Prepaid expenses	60,705	27,706
Deferred inc. taxes	14,800	16,500
Current Assets	$ 3,229,251	$ 2,600,399
#Fixed ssets	728,854	667,044
Total Assets	$ 3,958,105	$ 3,267,443

Liabilities

	1981	1980
Note payable	$ 200,000	$ 200,000
Long-term debt, curr	21,092	17,238
Accts. payable	788,887	815,883
Accruals	226,662	127,386
Income taxes	225,000	211,000
Curr. Liabilities	$ 1,461,641	$ 1,371,507
Long-term debt	136,137	139,189
Deferred inc. taxes	73,200	57,700
+Common stock	46,587	46,587
Add. paid-in capital	862,111	862,111
Retained earnings	1,390,764	802,684
Treasury stock	(12,335)	(12,335)
Total Liabilities & Shareholders' Equity	$ 3,958,105	$ 3,267,443

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01⅔ par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	19.66	17.49
%Net Income to Revenues	10.43	9.47
%Net Income to Equity	25.71	23.39
Working Capital	$1,767,610	$1,228,892
Current Ratio	2.21	1.90
Shareholders' Equity	$2,287,127	$1,699,047

Electro-Nucleonics, Inc.

368 Passaic Avenue
Fairfield, New Jersey 07006
(201) 227-6700

Officers: Vincent V. Abajian, chairman of the board & chief executive officer; Robert Fennell, president & chief operating officer; Richard M. Mandle, Alan M. Fishman, sr. v.p.'s; Joseph J. Cardillo, George von Klan, v.p.'s, Richard Abajian, secretary-treasurer; Thomas J. Dillon, v.p. & controller.

Directors: Richard Abajian, Vincent V. Abajian, Carl Pacifico, Robert Fennell, Richard Mandle, Harvey H. Segal, Nathan Stendig, George T. Maloney, Nolan B. Sommer.

Areas of Work: Engaged in the application of highspeed rotation and separations technology to the energy and health care fields. In the energy area the company is a prime contractor to the Department of Energy in the development of gas centrifuge technology applicable to the enrichment of uranium used by nuclear power plants. In the health care areas, it manufactures the GEMSAEC blood chemistry fast analyzer, the GEMENI miniature blood chemistry analyzer, research and production-scale liquid ultracentrifuges, diagnostic reagents and test kits; processes purified viruses, antigens and antibodies for research and conducts immunological testing through the VIRGO line of Immunofluorescent Antibody (IFA) tests, which consist of tests related to the body's immune response system and the RIAUSURE test for serum hepatitis.

Divisions and Subsidiaries:

Electro-Nucleonics Laboratories, Inc.
Bethesda, Maryland
Silver Spring, Maryland
Oak Ridge, Tennessee

Electro-Nucleonics, Inc.

Separation & Analytical Systems Division
Fairfield, New Jersey
Wayne, New Jersey
Silver Spring, Maryland
Irvine, California
Breda, The Netherlands
Stuttgart, West Germany

Transfer Agent(s):

Continental Stock Transfer & Trust Company
30 Montgomery Street
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENUC (NASDAQ)

Number of Employees:

1981	550	1978	430
1980	490	1977	400
1979	430		

Plant Footage:

1981	100,000 sq. ft.	1978	75,000
1980	95,000	1977	65,000
1979	75,000		

Sales and Earnings

	Net Sales	Net Income +
1981	$ 34,958,597	$ 1,951,669
1980	30,071,814	1,427,707
1979	23,217,270	1,009,955
1978	21,016,332	246,509
1977	18,550,875	1,414,515

	No. of Com. Shares	Earn. per Share + #
1981	3,644,343	$ 0.70
1980	2,976,543	0.60
1979	2,376,043	0.43
1978	2,376,043	0.10
1977	2,376,043	0.60

+ Including extraordinary gains of $161,000 ($0.06 per share) in 1981, $161,000 ($0.07 per share) in 1980, $306,500 ($0.13 per share) in 1979, $111,000 ($0.05 per share) in 1978, and $645,000 ($0.27 per share) in 1977.

# Based on average number of shares outstanding during each period.

Revenues By Line of Business

	1981	1980
Reagents & disposable	$ 16,185,579	$ 12,298,373
Equipment & instruments	14,641,273	13,874,446
Other biomedical	2,068,965	1,918,950
Nuclear oper.	2,062,780	1,980,045
Total	$ 34,958,597	$ 30,071,814

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 16,059,148	$ 4.41
1980	5,825,102	1.96
1979	4,395,395	1.85
1978	3,385,440	1.42
1977	3,138,931	1.32

Income Account *

Year ended June 30	1981	1980
Net sales	$ 34,958,597	$ 30,071,814
Cost of sales	22,054,882	19,396,202
Expenses	9,914,931	8,102,807
Interest expense	672,010	905,659
Gain on foreign exchange	(138,245)	98,477
Gain on repurchase of debentures	100,555	134,750
Other income	785,585	67,877
Income before taxes	$ 3,064,669	$ 1,968,250
Income taxes	1,274,000	701,543
Net Income	$ 1,790,669	$ 1,266,707
Extraord. gain	161,000	161,000
Net Income & Extraord. gain	$ 1,951,669	$ 1,427,707

* Included in Costs and Expenses, Depreciation and Amortization: $665,671 in 1981 and $648,274 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 5,165,737	$ 263,464
Accts. receiv., net	7,324,282	6,973,002
*Inventories	7,316,418	6,270,878
Prepaid expenses & other assets	262,122	256,324
Current Assets	$ 20,068,559	$ 13,763,668
Investment securities	231,724	231,724
#Fixed assets	4,508,873	2,775,507
Other assets	381,297	266,548
Total Assets	$ 25,190,453	$ 17,037,447

Liabilities

	1981	1980
Long-term debt, curr	$ 526,855	$ 521,299
Accts. payable	1,416,924	1,720,164
Accruals	738,795	683,385
Inc. taxes pay.	304,542	300,907
Curr. Liabilities	$ 2,987,116	$ 3,225,755
Long-term debt	4,913,922	7,221,072
Deferred income	631,700	594,239
Def.inc. taxes	598,567	171,279
+ Common stock	91,109	74,414
Add. paid-in capital	16,937,669	8,671,987
Retained earnings (deficit)	(969,630)	(2,921,299)
Total Liabilities & Shareholders' Equity	$ 25,190,453	$ 17,037,447

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	8.77	6.55
%Net Income to Sales	5.12	4.21
%Net Income to Equity	11.15	21.75
Sales to Inventories	4.78	4.80
Working Capital	$17,031,443	$10,537,913
Current Ratio	6.72	4.27
Shareholders' Equity	$16,059,148	$ 5,825,102

ElectroSound Group, Inc.

725 Broadway Avenue
Holbrook, New York 11741
(516) 567-3700

Officers: Richard H. Burkett, president & chief executive officer; Nathan DuRoff, v.p.-sales; Gloria Danielson, secretary; Barry E. Brunstein, v.p.-finance; Stuart M. Andrews, Jr., president-Andrews-Nunnery; Robert J. Barone, v.p.-Monarch Records; John Finnegan, gen. mgr.-Goldisc Recordings; Marvin King, v.p.-ElectroSound Tape Services; Richard F. Meixner, president-Music Div., Joseph A. Mellentine, gen. mgr.-ElectroSound Group Midwest; Yehuda Rachovitsky, ElectroSound Systems; Walter C. Terbrusch, v.p.-marketing; Sanford L. Wartell, president-Allentown Records.

Directors: Richard H. Burkett, Bryant Cushing, Leslie J. Levine, Ben Peirez, David H. Peirez, Stephen M. Pollan, Richard Projain, Sanford L. Wartell.

Areas of Work: Through its ElectroSound Systems subsidiary, the company produces data loop exchange systems (DLX's) which provide local area data communication distribution between data terminal equipment and mainframe computers and eliminate the need for telephones, telephone lines and modems.

Electronics Subsidiary:

ElectroSound Systems, Inc.
2917 North 35th Street
Phoenix, Arizona 85017
(602) 269-6888

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ESG

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 23,428,000	$ 251,000
1980	23,902,000	2,121,000
1979	29,097,000	2,530,000
1978	24,110,000	12,325,000
1977	18,955,000	2,263,000

	No. of Com. Shares	Earn. per Share ‡#
1981	1,007,653	$ 0.25
1980	988,402	1.78
1979	n.a.	1.96
1978	n.a.	10.03
1977	n.a.	2.76

n.a.- not available.

‡ Including extraordinary gains of $96,000 ($0.09 per share) in 1981, $956,000 ($0.80 per share) in 1980, $1,171,000 ($0.91 per share) in 1979, $11,231,000 ($9.14 per share) in 1978 and $2,022,000 ($2.47 per share) in 1977.

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 8,943,000	$ 8.88
1980	8,539,000	8.64

Income Account *

Year ended May 31	1981	1980
Net sales	$ 23,428,000	$ 23,902,000
Cost of sales	19,430,000	18,525,000
Expenses	2,899,000	2,715,000
Interest expense	832,000	326,000
Income before taxes	$ 267,000	$ 2,336,000
Income taxes	112,000	1,171,000
Net Income	$ 155,000	$ 1,165,000
Extraord. gain	96,000	956,000
Net Income & Extraord. gain	$ 251,000	$ 2,121,000

* Included in Cost and Expenses, Depreciation and Amortization: $936,000 in 1981 and $717,000 in 1980.

Assets

As at May 31	1981	1980
Cash	$ 683,000	$ 468,000
Receivables, net	3,875,000	3,026,000
*Inventories	2,607,000	2,094,000
Prepaid expenses	653,000	716,000
Current Assets	$ 7,818,000	$ 6,304,000
Non-oper. p.p. & e. held for sale	2,654,000	—
#Fixed assets	6,537,000	4,853,000
Cap. equip. lease	1,056,000	1,138,000
Defer. charges & other assets	1,640,000	1,431,000
Intangibles	2,242,000	2,242,000
Total Assets	$ 21,947,000	$ 15,968,000

Liabilities

Notes payable	$ —	$ 175,000
Long-term debt, curr.	53,000	400,000
Cap. lease oblig., curr.	82,000	74,000
Accts. payable	1,963,000	1,746,000
Accrued comp.	218,000	512,000
Other accruals	733,000	625,000
Curr. Liabilities	$ 3,049,000	$ 3,532,000
Long-term debt	8,940,000	2,800,000
Cap. lease oblig.	1,015,000	1,097,000
+Common stock	10,000	10,000
Add. paid-in capital	11,359,000	11,206,000
Accumulated deficit	(2,412,000)	(2,663,000)
Treasury stock	(14,000)	(14,000)
Total Liabilities & Shareholders' Equity	$ 21,947,000	$ 15,968,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.14	9.77
%Net Income to Sales	0.66	4.87
%Net Income to Equity	1.73	13.64
Sales to Inventories	8.99	11.41
Working Capital	$4,769,000	$2,772,000
Current Ratio	2.56	1.78
Shareholders' Equity	$8,943,000	$8,539,000

Electrospace Systems, Inc.

P.O. Box 1359
1601 N. Plano Rd.
Richardson, Texas 75080
(214) 231-9303

Officers: James R. Lightner, chairman of the board, president & treasurer; Robert L. Carrel, exec. v.p. & secretary; Milton W. Holcombe, Richard C. Fenwick, v.p.'s; Donald E. Heitzman, vice president-marketing; Belton H. Gardner, asst. v.p.-marketing; Patrick G. Mackey, corporate controller.

Directors: James R. Lightner, chairman; Robert L. Carrel, Milton W. Holcombe, Richard C. Fenwick, John Adel, William H. Bowen.

Areas of Work: Communication and navigation system analysis, integration and testing, antenna research and development, mechanical/structural engineering analysis, electronic warfare systems and solid state switching, servo control systems and telephone central office switches.

Subsidiaries:

Telephone Industries, Inc.
P.O. Box 481
Ballinger, Texas 76821
(915) 365-2555

Transfer Agent(s):

National Bank of Commerce
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELEC (NASDAQ)

Number of Employees:

1982	914	1979	575
1981	910	1978	435
1980	949		

Plant Footage:

1982	272,221 sq. ft.	1979	170,000
1981	227,800	1978	96,000
1980	172,400		

Sales and Earnings

	Revenues	Net Income
1982	$ 55,088,347	$ 4,491,484
1981	45,578,419	2,799,731
1980	33,561,277	2,083,818
1979	21,269,880	1,625,912
1978	14,535,458	869,411

	No. of Com. Shares	Earn. per Share ‡
1982	3,295,892	$ 1.36
1981	2,628,773	0.85
1980	2,181,328	0.63
1979	1,806,438	0.50

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.12	25%	—
1981	0.12	20%	—
1980	0.12	20%	—
1979	0.12	50%	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 13,104,904	$ 3.98
1981	8,921,948	3.39
1980	6,353,181	2.90
1979	4,463,660	2.46

Income Account *

Year ended	3/27/82	3/28/81
Revenues	$ 55,088,347	$ 45,578,419
Cost of revenues	47,088,619	39,929,274
Expenses	493,272	498,933
Interest expense	238,961	319,200
Oper. Profit	$ 7,267,495	$ 4,831,012
Other income	863,357	145,984
Income before taxes	$ 8,130,852	$ 4,976,996
Income taxes	3,639,368	2,177,265
Net Income	$ 4,491,484	$ 2,799,731

* Included in Costs and Expenses, Depreciation and Amortization: $689,237 in 1982 and $568,033 in 1981.

Assets

As of	4/2/82	3/28/81
Cash	$ 9,425,845	$ 2,599,489
Accts. receiv., net	10,885,003	6,862,575
Costs on contracts in exc. of billing	2,020,289	4,289,281
*Inventories	2,155,058	2,760,889
Prepaid expenses	36,748	34,514
Current Assets	$ 24,522,943	$ 16,546,748
#Fixed assets	4,045,396	3,762,911
Other assets	294,352	188,035
Total Assets	$ 28,862,691	$ 20,497,694

Liabilities

Long-term debt, curr.	$ 326,574	$ 324,347
Accts. payable	1,640,332	2,448,418
Accruals	3,719,228	1,191,541
Income taxes	6,600,808	4,350,459
Curr. Liabilities	$ 12,286,942	$ 8,314,765
Notes payable	9,524	309,811
Mortgage payable	1,843,948	1,870,234
Inc. taxes	1,617,373	1,080,936
+Common stock	396,642	316,779
Add. paid-in capital	456,437	410,149
Retained earnings	12,672,727	8,617,935
Treasury stock	(420,902)	(422,915)
Total Liabilities & Shareholders' Equity	$ 28,862,691	$ 20,497,694

* Raw materials and purchased parts at cost not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	14.76	10.92
%Net Income to Revenues	8.15	6.14
%Net Income to Equity	34.27	31.38
Working Capital	$12,236,001	$8,231,983
Current Ratio	2.00	1.99
Shareholders' Equity	$13,104,904	$8,921,948

Eli Lilly and Company

307 East McCarty Street
Indianapolis, Indiana 46285
(317) 261-2000

Officers: Richard D. Wood, chairman of the board, president & chief executive officer; A. Malcolm McVie, exec. v.p. & chief financial officer; Cornelius W. Pettinga, exec. v.p; Edwin F. Alder, v.p.-Lilly Research Laboratories; C. Harvey Bradley, Jr., secretary & general counsel; Vaughn D. Bryson, president-Elanco Products Company; Eurelio M. Cavalier, group v.p., sales-Pharmaceutical Division; Marvin Cave, v.p.-Industrial Relations Division; Raymond E. Crandall, group v.p.-production operations; Edgar G. Davis, v.p.-Corporate Affairs Division; William G. Davis, exec. v.p.-Pharmaceutical Division; Earl B. Herr, Jr., president-Lilly Research Laboratories; Irving S. Johnson, v.p.-Lilly Research Laboratories; Thomas A. Klingaman, sr. v.p.-production operations & services; Mel Perelman, president-Eli Lilly International Corporation; Joseph F. Ronchetti, president-Elizabeth Arden, Inc.; W. Ian H. Shedden, v.p.-Lilly Research Laboratories; Eugene L. Step, president-Pharmaceutical Division; John G. Whitney v.p.-Lilly Research Laboratories; J. Richard Zapapas, group v.p.; James H. Lake, sr. v.p.-productions, operations & services; E.R. Roberts-exec. v.p.-Eli Lilly International Corporation.

Directors: Richard D. Wood, chairman of the board; Thomas H. Lake, Edwin F. Alder, C. Harvey Bradley, Jr., Raymond E. Crandall, Earl B. Herr, Jr., A. Malcolm McVie, Mel Perelman, Cornelius W. Pettinga, Robert C. Seamans, Jr., Eugene L. Step, J. Richard Zapapas, Alva O. Way, J. Stanford Smith, J. Paul Lyet, J. Clayburn LaForce, Jr., C. William Verity, Jr.

Areas of Work: Engaged in the discovery, development, manufacture and sale of products in three principal industries: human health, agriculture and cosmetics. The human health segment includes pharmaceuticals, electronic medical instrument systems, implantable cardiac pacemakers, empty gelatin capsules, packaging products, and bulk chemicals. Pharmaceuticals include analgesics, an antiarthritic agent, antibiotics, antidiabetic agents, hematinics, hormones, oncolytic agents, sedatives, vitamins, and other pharmaceuticals for human use. Electronic medical instrument systems include products for measuring patient temperatures and for administering and monitoring intravenous fluid infusions. The agriculture segment includes agricultural chemicals and animal health products. Agricultural chemicals are principally herbicides for controlling weeds in various crops. Animal health products include a nonhormonal cattle feed additive that improves feed efficiency,various antibiotics for promoting feed efficiency and growth in swine, and anti-coccidial agent for use in broilers and layer replacements, and other products for livestock, poultry, and pet animals. The cosmetics segment includes the Elizabeth Arden Line and Parfums Lager products. The Elizabeth Arden Line includes skincare preparations, make-up products, and fragrances. Parfums Lagerfeld products are marketed under the trademarks Chloe and Lagerfeld and include fragrance products.

Electronics Operations:

IVAC Corporation
Campus Point, California
(714) 453-4320
Worldwide manufacturing and marketing of electronic medical instrument systems.

Cardiac Pacemakers, Inc.
St. Paul, Minnesota
Engaged in the business of designing, developing, manufacturing, and marketing implantable cardiac pacemakers powered by lithium batteries.

Physio-Control Corporation
11811 Willows Road
Redmond, Washington 98052
(206) 883-1181

Eli Lilly and Company

Manufactures and distributes electronic products used in cardiovascular medicine, including defibrillators/monitors, peritoneal dialysis equipment, blood pressure monitoring devices, ultrasonic Doppler probes, in-vivo oximeters, and vascular implant products.

Transfer Agent(s):

Chemical Bank
New York, New York

Merchants National Bank &
Trust Company of Indianapolis
Indianapolis, Indiana

Continental Illinois National Bank
& Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: LLY

Number of Employees:

1981	28,600	1978	25,400
1980	28,100	1977	24,400
1979	27,300		

Plant Footage*:

1981 . . . . . . 890,000 sq. ft.

* Electronics operations only.

Sales and Earnings

		Net Sales (000's)		Net Income (000's)
1981	$	2,773,200	$	374,400
1980		2,558,600		342,000
1979		2,250,800		333,700
1978		1,882,600		280,300
1977		1,550,200		223,500

	No. of Com. Shares ‡	Earn. per Share ‡
1981	75,942,000	$ 4.93
1980	75,645,000	4.52
1979	75,298,000	4.43
1978	75,286,000	3.72
1977	72,854,000	3.07

‡ Based on average number of common shares outstanding.

Revenues By Line of Business
(000's)

		1981		1980
Human Health	$	1,663,900	$	1,426,000
Agriculture		838,100		871,700
Cosmetics		271,200		260,900
Total	$	2,773,200	$	2,558,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.375	—	—
1980	2.20	—	—
1979	1.95	—	—
1978	1.65	—	—
1977	1.42	—	—

Common Stock Equity †

	Total Equity (000's)	Equity Per Share ‡
1981	1,888,300	24.87
1980	1,735,100	22.94
1979	1,584,600	21.04
1978	1,393,600	18.51
1977	1,224,000	16.80

‡ Based on average number of common shares outstanding.
† Related to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.

Income Account *
(000's)

Year ended Dec. 31		1981		1980
Net sales	$	2,773,205	$	2,558,637
Cost of sales		1,088,734		1,023,515
Expenses		1,07[illegible],862		969,815
Interest income		(58,070)		(39,560)
Interest expense		22,174		18,442
For. exch. loss		25,209		14,008
Other income		(18,694)		(17,924)
Income before taxes	$	654,990	$	590,341
Income taxes		271,512		248,367
Net Income	$	374,478	$	341,974

* Included in Costs and Expenses, Depreciation and Amortization: $69,178,000 in 1981 and $56,709,000 in 1980.

Assets
(000's)

As of Dec. 31		1981		1980 †
Cash	$	43,490	$	31,771
Securities & deposits		219,205		170,574
Accts. receiv.		579,679		544,658
Other receiv.		47,751		46,126
*Inventories		679,229		672,526
Prepaid exp.		96,021		71,999
Current Assets	$	1,665,375	$	1,537,654
Investments		113,200		98,500
#Fixed assets		1,006,180		849,034
Other assets		117,507		122,264
Total Assets	$	2,902,262	$	2,607,452

Liabilities
(000's)

Loans payable	$	209,022	$	184,690
Accts. payable		119,343		109,462
Accrued payroll		127,133		107,904
Dividends payable		55,106		43,595
Other liabilities		203,604		199,688
Income taxes		103,577		93,442
Curr. Liabilities	$	817,785	$	738,781
Long-term debt		53,803		32,862
Deferred inc. taxes		142,414		100,716
+ Common stock		47,516		47,363
Add paid-in capital		123,911		110,707
Retained earnings		1,765,314		1,577,061
Treasury stock		(2,818)		(38)
Total Liabilities & Shareholders' Equity	$	2,902,262	$	2,607,452

† Restated.
* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $0.625 par value.

Statistical Summary

%Income bef. Taxes to Sales	23.62	23.07
%Net Income to Sales	13.50	13.37
%Net Income to Equity	19.83	19.71
Sales to inventories	4.08	3.80
Working Capital	$ 847,590,000	$ 798,873,000
Current Ratio	2.04	2.08
Shareholders' Equity	$1,888,300,000	$1,735,100,000

Emerson Electric Co.

8000 West Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Officers: C.F. Knight, chairman & chief exec. officer; L.L. Browning, Jr., exec. v.p. & chief admin. officer; E.L. Keyes, Jr., president & chief operating officer; W.A. Rutledge, vice chairman; J.J. Adorjan, sr. v.p.-corp. development; J.J. Kerley, vice chairman & chief financial officer; W.J. Bennetsen, v.p.-corporate manufacturing; E.L. Clary, group v.p.-corp. services; R.A. Cocks, asst. treasurer; H.F. Faught, group v.p.-technology; A.A. Gilbert, v.p.-manpower development; C.W. Groennert, v.p. & treasurer; C. Hansen, sr. v.p.-law; J.D. Henry, asst. treasurer; R.H. McRoberts, secretary & general counsel; W.C. Nusbaum, v.p.-development; W.E. Peacock, v.p.-international; C.O. Planting, exec. v.p.-corp. sales; J.C. Rohrbaugh, v.p.-industrial relations; J.C. Wilson, v.p.-finance & comptroller.

Directors: W.R. Persons*, R.H. McRoberts*, J.A. Frates*, B.A. Schriever, L.L. Browning, Jr.*, R.D. Potts, Gene K. Beare, Charles F. Knight*, Eugene F. Williams, Jr., G.A. Lodge; L.J. Conti, E.L. Keyes, Jr.*, W.A. Rutledge*, R.W. Staley*, V.R. Loucks, Jr.

*Member of Executive Committee.

Areas of Work:

Government & Defense Group
Airborne fire control radar systems, airborne radio navigation systems, ammunition storage and feed systems, anechoic chambers, anti-submarine warfare detection & recording systems, automatic test equipment, electronically scanned antennas, magnetic tape recorders, intrusion detection systems, metallic and non-metallic detectors, guidance & control systems, low noise antenna feeds, naval surface armament systems, power supplies, research & dev., rocket systems, rocket & missile launching systems, satellite communications & telemetry validation systems & tactical navigation systems & missile antenna development.

Consumer Group
Arc welders, band saws, ceiling systems, console humidifiers, door chimes, drain cleaning equipment, drill presses, electric baseboard heat, electric heating and cooling systems, electrostatic air cleaners, gas cutting & welding equipment, hand tools, hot water dispensers, intercom systems, ladders & scaffolding, lathes, planers and shapers, plastic pipe welders, point source illumination, power chain saws, power plumbing tools, security systems, lighting interconnect systems. Monofilament line lawn trimmer, pipe working tools, smoke detectors, ventilation and exhaust systems, waste disposers, hobbyist tools, water fountain valves, woodworking benches and radial saws.

Commercial & Industrial Components and Systems Group
Air conditioning and refrigeration compressor motors, dryers, expansion valves, fan motors, solenoid control valves, appliance electric heating elements and controls, appliance motors, automation systems, belt and chain components & drives, bimetallic control devices, cams and index equipment, controlled speed drives, eddy current controls and drives, electronic variable speed drives, conveyor components, eddy current controls and drives, electronic power supplies, fluid flow instrumentation, fluid heat transfer systems, gears, gear motors, heating blower motors and controls, industrial electric heating elements, industrial electric heating products, irrigation flowmeter/control systems, liquid level measurement instrumentation, machine tool drives and controls, magnetic flowmeters, mechanical couplings, metal stampings, positive displacement meters, process control instrumentation, sealed terminals, special application motors, speed reducers, thermal limit devices, turbine meters, ultrasonic meters, uninterruptible power systems, vertical pump motors and drives, aviation instrumentation, & utilities equipment and tools.

Divisions and Subsidiaries:

Alco Controls Division
P.O. Box 12700
St. Louis, Missouri 63141
(314) 432-6300

Beaird-Poulan Division
5020 Flournoy Lucas Road
Shreveport, Louisiana 71102
(318) 687-0100

Brooks Instrument Division
407 W. Vine Street
Hatfield, Pennsylvania 19440
(215) 368-2000

Browning Mfg. Division
1248 E. Second Street
P.O. Box 687
Maysville, Kentucky 41506
(606) 564-5541

Emerson Electric Co.

Commercial Cam Division
400 N. Ashland
Chicago, Illinois 60622
(312) 243-6900

Day-Brite Lighting Division
1015 S. Green Street
Drawer 1687
Tupelo, Mississippi 38801

Fusite Division
6000 Fernview Avenue
Cincinnati, Ohio 45212
(513) 731-2020

Louisville Ladder Division
1161 Algonquin Parkway
Louisville, Kentucky 40208
(501) 636-2811

Ridge Tool Division
400 Clark Street
Elyria, Ohio 44035
(216) 323-5581

Special Products Division
5657 Campus Parkway
Hazelwood, Missouri 90051

Thermo-O Disc
1320 S. Main Street
Mansfield, Ohio 44907
(419) 756-5911

U.S. Electrical Motors Division
Old Gate Lane
Milford, Connecticut 06460
(203) 878-9311

WER Industrial Division
3036 Alt Boulevard
Grand Island, New York 14072
(716) 773-2321

White-Rodgers Division
9797 Reavis Road
St. Louis, Missouri 62123
(314) 631-9797

Edwin L. Wiegand Division
7500 Thomas Boulevard
Pittsburgh, Pennsylvania 15208
(412) 242-6400

Dremel Manufacturing Division
4915 Twenty-First Street
Racine, Wisconsin 53406
(414) 637-8831

Electronics & Space Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Motor Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Puerto Rico, Inc
Dorado Industrial Park
Highway 693, KM 7.3, P.O. Box 437
Dorado, Puerto Rico 00646
(809) 796-1195

Emerson Electric GmbH
Division Gustav Benz
Heerstrasse 111
Postfact 1229 West Germany
D 7050 Waiblingen

Emerson Electric Canada Limited
P.O. Box 150, Highway 48
Markham, Ontario, Canada
(416) 297-1030

ACDC Electronics Division
401 Jones Road
Oceanside, California 92054

Doric Scientific Division
3883 Ruffin Road
San Diego, California 92123

Emerson Electric Industrial Controls Division
P.O. Box 1679
Santa Ana, California 92702

Harris-Calorific Division
5501 Cass Avenue
Cleveland, Ohio 44102

A.B. Chance Company
210 North Allen Street
Centralia, Missouri 65240

Emerson Chromalox Division
8400 Pershall Road
St. Louis, Missouri 63136

In-Sink-Erator Division
4700 Twenty-First Street
Racine, Wisconsin 53406

Weed Eater Inc.
10515 Harwin Drive
Houston, Texas 77036

Statitrol Inc.
140 S. Union Boulevard
Lakewood, Colorado 80228

Rittenhouse Division
Rosemount Division
McPhilben Lighting Division
Urick Foundry Division
Tuttle Electric Division

Acquisition(s):

Skil Corporation (March 1979)
Chicago, Illinois
Manufactures portable electric power tools.

SWECO, Inc.
Los Angeles, California

Transfer Agent(s):

St. Louis Union Trust Company
(Common & Preferred Shares)
510 Locust Street
St. Louis, Missouri 63101

Marine Midland Bank - New York
(Common & Preferred Shares)
Two Broadway
New York, New York 10004

Stock Exchange(s): New York, Midwest

Ticker Symbol: EMR

Number of Employees:

1981	55,200	1978	49,600
1980	53,800	1977	46,100
1979	52,200		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 3,429,261	$ 273,273
1980	3,066,841	237,723
1979	2,723,989	208,975
1978	2,316,921	180,656
1977	1,950,818	154,338

	No. of Com. Shares ‡	Earn. per Share ‡
1981	64,180,000	$ 4.26
1980	63,911,000	3.72
1979	63,361,000	3.30
1978	62,819,000	2.88
1977	62,740,000	2.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Commercial & industrial	$ 2,019,000	$ 1,799,000
Consumer	1,181,000	1,057,000
Government & defense	288,000	239,000
Intersegment sales	(59,000)	(28,000)
Total	$ 3,429,000	$ 3,067,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.76	—	—
1980	1.60	—	—
1979	1.44	—	—
1978	1.20	—	—
1977	1.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 1,386,382	$ 21.68
1980	1,229,768	19.30
1979	1,090,001	17.12
1978	934,866	14.93
1977	824,458	13.18

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 3,429,261	$ 3,066,841
Cost of sales	2,266,006	2,043,607
Expenses	640,421	570,368
Interest expense	27,829	29,032
Other charges (income)	3,582	(5,789)
Income before taxes	$ 491,423	$ 429,623
Income taxes	218,150	191,900
Net Income	$ 273,273	$ 237,723

* Included in Costs and Expenses, Depreciation and Amortization; $91,805,000 in 1981 and $81,697,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 21,128	$ 11,521
Marketable securities	104,753	36,891
Accts. receiv., net	522,671	488,942
Long-term contracts	7,728	3,940
*Inventories	871,206	776,756
Other curr. assets	58,954	51,624
Curent Assets	$ 1,586,440	$ 1,369,674
#Fixed assets	555,387	495,837
Other assets	59,853	63,906
Total Assets	$ 2,201,680	$ 1,929,417

Liabilities
(000's)

	1981	1980
Long-term debt, curr	$ 64,463	$ 62,812
Acct. payable	191,728	174,688
Accruals	247,850	188,945
Income taxes	95,391	62,509
Adv. pay. on contracts	51,692	31,066
Curr. Liabilities	$ 651,124	$ 520,020
Long-term debt	164,174	179,629
+ Common stock	64,225	63,945
Add. paid-in capital	73,748	65,907
Retained earnings	1,257,076	1,106,564
Treasury stock	(8,667)	(6,648)
Total Liabilities & Shareholders' Equity	$ 2,201,680	$ 1,929,417

* At lower of cost or market majority at standard costs; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.33	14.01
%Net Income to Sales	7.97	7.75
%Net Income to Equity	19.71	19.33
Sales to Inventories	3.94	3.95
Working Capital	$ 935,316,000	$ 849,654,000
Current Ratio	2.44	2.63
Shareholders' Equity	$1,386,382,000	$1,229,768,000

Emerson Radio Corp.

1 Emerson Lane
Secaucus, New Jersey 07094
(201) 865-4343

Officers: William W. Lane, chairman; Stephen L. Lane, president; Donald Dvorkin, exec. v.p. & secretary; Saul Knazick, sr. v.p.-marketing; Harold Falik, v.p.-finance & treasurer; Kunio Takei, v.p.-foreign operations; James Kirsner, v.p.-sales; Hachiro Masuda, v.p.-design.

Directors: William W. Lane, chairman; Stephen L. Lane, Jay M. Haft, John J. Cunningham.

Areas of Work: The company's Cardiac Resuscitator Corporation subsidiary designs and manufactures devices which automatically diagnose and treat ventricular fibrillation, the leading cause of cardiac arrest. These products include external pacemakers and automated defibrillator-pacemakers.

Subsidiaries:

Cardiac Resuscitator Corporation

1 Emerson Lane
Secaucus, New Jersey 07094
(201) 865-4343

6024 S.W. Jean Road
Lake Oswego, Oregon 97034
(503) 635-88661

Transfer Agent(s):

United States Trust Company of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: EME

Sales and Earnings

	Net Sales	Net Income
1981	$ 87,444,000	$ (251,000)
1980	81,694,000	1,619,000
1979	74,177,000	3,151,000
1978	49,164,000	1,539,000
1977	40,313,000	1,608,000

	No. of Com. Shares	Earn. per. Share #
1981	2,968,230	$ —
1980	2,427,445	0.58
1979	1,869,348	1.23
1978	1,107,811	0.63

(Loss)
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	20%	—
1980	—	10%	—
1979	—	10% & 10%	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 16,846,000	$ 5.68
1980	16,661,000	6.86
1979	11,103,000	5.94
1978	7,785,000	7.03

Income Account *

Year ended Mar. 31	1981	1980
Net sales	$ 87,444,000	$ 81,694,000
Cost of sales	75,067,000	68,379,000
Expenses	8,836,000	8,008,000
Interest expense	2,923,000	2,453,000
Loss from CRC oper.	897,000	237,000
Redemp. of options	965,000	—
Income (loss) before taxes	$ (1,244,000)	$ 2,617,000
Income taxes (credit)	(993,000)	998,000
Net Income (Loss)	$ (251,000)	$ 1,619,000

* Included in Costs and Expenses, Depreciation and Amortization: $830,000 in 1981 and $625,000 in 1980.

Assets

As of Mar. 31	1981	1980
Cash	$ 1,296,000	$ 1,376,000
Accts. receiv., net	13,863,000	14,573,000
Refundable taxes	1,154,000	—
*Inventories	16,442,000	17,678,000
Prepaid expenses & other curr. assets	2,447,000	1,902,000
Current Assets	$ 35,302,000	$ 35,529,000
Investment in & adv. to subsid.	412,000	358,000
#Fixed assets	2,376,000	1,837,000
Other assets	1,237,000	792,000
Total Assets	$ 39,327,000	$ 38,516,000

Liabilities

Notes & accept. payable	$ 10,977,000	$ 10,594,000
Accts. payable	2,294,000	2,918,000
Accruals	1,607,000	1,405,000
Income taxes payable	—	65,000
Curr. Liabilities	$ 14,878,000	$ 14,982,000
11% debentures	6,729,000	6,705,000
Other liabilities	874,000	168,000
+Common stock	298,000	244,000
Add. paid-in capital	14,350,000	13,913,000
Retained earnings	2,222,000	2,528,000
Treasury stock	(24,000)	(24,000)
Total Liabilities & Shareholders' Equity	$ 39,327,000	$ 38,516,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.20
%Net Income to Sales	—	1.98
%Net Income to Equity	—	9.72
Sales to Inventories	5.32	4.62
Working Capital	$20,424,000	$20,547,000
Current Ratio	2.37	2.37
Shareholders' Equity	$16,846,000	$16,661,000

Emhart Corporation

426 Colt Highway
Farmington, Connecticut
(203) 677-4631

Mailing Address:

P.O. Box 2730
Hartford, Connecticut 06101

Officers: T. Mitchell Ford, chairman of the board & president; William C. Lichtenfels, Stephen J. Ruffi, executive vice presidents; Walter L. Abel, v.p. - research & development; Enos H. Arnold, controller; Ralph M. Branca, v.p. - development; John F. Budd, Jr., v.p. - public relations; Sherman B. Carpenter, v.p. - administration; Royal E. Cowles, v.p. - human resources; Dean M. Hennessy, v.p. & general counsel; Leo T. Hinkley Gilbert O'Neil, v.p.'s; Carl A. Horne, v.p. & tax counsel; C. Morgan Hussey, secretary; Walter A. Jaeger, v.p. - manufacturing staff; Achim Knust, v.p. - finance; Howard R. Loos, treasurer.

Directors: T. Mitchell Ford, chairman; Richard S. Bodman, Hershner Cross, William B. Ellis, James F. English, Jr., William C. Lichtenfels, Charles H. Kaman, Augustus P. Loring, Michael S. Morton, Wilson Wilde, Stephen J. Ruffi.

Areas of Work: The Company's Electrical/Electronic Group manufactures aluminum and tantalum electrolytic capacitors, motor run capacitors and audible signal devices. Also produces electro-mechanical timing devices, synchronous motors, electronic assemblies and components. Other areas of work include machinery, hardware, chemicals and fasteners.

Transfer Agent(s):

The Connecticut Bank & Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

Stock Exchange(s): New York, London

Ticker Symbol: EMH

Number of Employees:

1981	32,349	1978	32,260
1980	33,523	1977	32,675
1979	37,455		

Sales and Earnings ‡

	Revenues (000's)	Net Income (000's)
1981	$1,747,100	$75,500
1980	1,802,900	65,200
1979	1,573,500	56,800
1978	1,346,400	57,600
1977	1,199,300	61,300

	No. of Com. Shares	Earn. per Share #
1981	12,003,000	$6.06
1980	12,153,000	5.32
1979	12,080,000	4.63
1978	11,711,000	4.87
1977	11,293,000	5.43

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Machinery & related prod.	$ 691,900	$ 706,000
Hardware prod.	218,100	218,100
Chemical & allied prod.	269,700	281,300
Fasteners & indus. prod.	229,500	246,100
Electronic & elec. comp.	235,100	218,700
Other	102,800	132,700
Total	$ 1,747,100	$ 1,802,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.40	—	—
1980	2.40	—	—
1979	2.30	—	—
1978	2.00	—	—
1977	1.90	—	—

Common Stock Equity ‡

	Total Equity †	Equity Per Share
1981	$454,040,550	$37.82
1980	457,694,900	37.66
1979	422,038,800	34.93

‡ Restated.
† After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	1981	1980 ‡
Revenues	$ 1,747,100	$ 1,802,900
Cost of sales	1,195,300	1,286,800
Expenses	386,700	395,900
Interest expense	10,100	18,200
Exch. loss (gain)	33,200	(5,500)
Other charges	1,900	4,300
Income before taxes	$ 119,900	$ 103,200
Income taxes	44,400	38,000
Net Income	$ 75,500	$ 65,200

* Included in Costs and Expenses, Depreciation and Amortization: $35,700,000 in 1981 and $30,400,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 11,200	$ 20,100
Short-term invest.	36,200	50,900
Receiv., net	277,500	273,400
*Inventories	362,700	362,000
Def. inc. tax benfits	22,600	28,000
Prepaid expenses	19,000	11,800
Current Assets	$ 729,200	$ 746,200
#Fixed assets	248,600	204,800
Machines leased to cust.	30,900	31,900
Invest. & other assets	59,500	11,300
Total Assets	$ 1,068,200	$ 994,200

Liabilities
(000's)

Notes payable	$ 170,600	$ 51,600
Accts. payable	91,000	97,300
Accruals & other liab.	174,700	170,400
Income taxes	45,500	51,300
Curr. Liabilities	$ 481,800	$ 370,600
Long-term debt	24,500	52,400
Unfunded pension liab.	50,500	63,400
Deferred inc. taxes	34,500	32,000
Other liab.	16,000	10,000
+ Preferred stock	3,700	4,400
+ + Common stock	13,500	12,200
Add. paid-in capital	189,400	153,700
Retained earnings	318,100	273,200
Treasury stock	(49,800)	—
Cum. trans. adjust.	(14,000)	22,300
Total Liabilities & Shareholders' Equity	$ 1,068,200	$ 994,200

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.86	5.72
%Net Income to Sales	4.32	3.62
%Net Income to Equity	16.38	14.00
Sales to Inventories	4.82	4.98
Working Capital	$247,400,000	$375,600,000
Current Ratio	1.51	2.01
Shareholders' Equity	$460,900,000	$465,800,000

Energy Conversion Devices, Inc.

1675 West Maple Road
Troy, Michigan 48084
(313) 280-1900

Officers: Ralph F. Leach, chairman of the board; Stanford R. Ovshinsky, president, chief exec. & chief operating officer; Nancy M. Bacon, v.p.-finance & treasurer; Iris M. Ovshinsky, Hellmut Fritzsche, v.p.'s; Momoko Izu, v.p.-int'l business relations; Morton Levine, secretary.

Directors: Hellmut Fritzsche, Morton Levine, Iris M. Ovshinsky, Stanford R. Ovshinsky, Erich W. Augustin, Laurence D. Chapin, Donald C. Webster, Henry L. Woolfenden, Ralph F. Leach, Stanley Stynes, Nancy M. Bacon, Momoko Izu, Robert F. Wilson, Robert R. Johnson.

Areas of Work: Develops microfilm and document copying systems, and such products as Ovonic Mass Memory, Ovonic Imaging, and Ovonic Threshold Switch for governmental and industrial markets as well as energy conversion systems.

Divisions:

Imaging Division
Material Research Division

Subsidiaries:

Ovonics, Inc.
1675 West Maple Road
Troy, Michigan 48084
(313) 280-1900
A real estate holding company.

Transfer Agent(s):

National Bank of Detroit
Stock Transfer Department
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENER (NASDAQ)

Number of Employees:

1980	176	1977	74
1979	92	1976	33
1978	84		

Plant Footage:

1980	56,600 sq. ft.	1977	21,300
1979	21,300	1976	21,300
1978	21,300		

Sales and Earnings

	Net Revenues	Net Income †
1980	$ 5,153,518	$ (1,645,597)
1979	1,595,206	(3,394,035)
1978	457,343	(3,537,976)
1977	610,216	(2,708,746)
1976	640,650	(1,128,398)

	No. of Com. Shares #	Earn. per Share
1980	2,661,450	—
1979	2,554,955	—
1978	2,115,855	—
1977	1,957,081	—
1976	1,930,100	—

(Loss)
† Including extraordinary loss of $231,322 in 1979.
# Based on monthly average number of Class A common and common shares combined.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 1,363,329	$0.51
1979	2,408,606	0.94
1978	(1,091,968)	—
1977	(977,792)	—
1976	(852,311)	—

(Deficiency)
‡ Based on monthly average number of Class A common and common shares combined.

Income Account *

Year ended June 30	1980	1979
Net sales	$ 3,448,807	$ 381,075
License revenues	1,075,000	1,000,000
Other income	629,711	214,131
Total income	$ 5,153,518	$ 1,595,206
Cost of sales	2,661,533	338,157
Expenses	1,723,066	1,391,657
Depreciation	494,386	231,414
Product develop. exp.	1,569,450	2,434,410
Patent expenses	327,494	278,435
Interest expense	23,186	82,846
Net loss	$ (1,645,597)	$ (3,162,713)
Extraord. loss	—	(231,322)
Net Loss & Extraord. loss	$ (1,645,597)	$ (3,394,035)

Assets

As of June 30	1980	1979
Cash	$ 6,568,446	$ 2,042,590
Accts. receiv., net	229,304	253,990
Amts. due	6,400,000	1,750,000
Prepaid expenses & other assets	203,948	147,795
Current Assets	$ 13,401,916	$ 4,194,375
# Fixed assets	3,651,655	1,577,888
Other assets	10,079,009	665,926
Total Assets	$ 27,132,580	$ 6,438,189

Liabilities

Long-term debt, curr.	$ 73,029	$ 24,751
Accts. payable	1,121,114	578,949
Accrued payroll	104,875	50,705
Misc. taxes	69,859	57,678
Deferred contract revs.	9,964,481	1,801,319
Curr. Liabilities	$ 11,333,358	$ 2,513,402
Mortg. notes	420,231	123,320
Insurance loans	183,936	142,861
Advance against future sales	—	850,000
Deferred contract revs.	13,831,726	400,000
+ Common stock, Class A	2,199	2,219
+ Common stock	24,415	23,967
Add. paid-in capital	31,822,639	31,222,747
Retained earnings (deficit)	(30,485,924)	(28,840,327)
Total Liabilities & Shareholders' Equity	$ 27,132,580	$ 6,438,189

# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Working Capital	$ 2,068,558	$ 1,680,973
Current Ratio	1.18	1.67
Shareholders' Equity	$ 1,363,329	$ 2,408,606

Entron, Inc.

70-31 84th Street
Glendale, New York 11385
(212) 894-8100

Officers: Forrester A. Clark, chairman of the board; Joseph Ross, president & chief exec. officer; A. Alan Reich, vice president-contracts; Doris Beal, v.p.-mfg.; Raymond H. Geoghran, treasurer; Sidney Winter, George Ivanovs, asst. secretaries.

Directors: Forrester A. Clark*, George M. Ferris, Jr., John E. Lawrence*, Joseph Ross*.

* Member of Executive Committee.

Entron, Inc.

Areas of Work: Engaged in the manufacture and sale of airborne-missile launchers, telecommunications instruments and other military equipment. Also manufactures multi-taps and other transmission equipment for the cable-television industry.

Transfer Agent(s):

The Trust Company of New Jersey
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income #
1981	$ 2,603,605	$ 559,808
1980	2,239,866	127,958
1979	3,027,874	334,233
1978	5,626,039	1,009,785
1977	4,737,198	799,180

	No. of Com. Shares ‡	Earn. per Share #‡
1981	2,498	$ 224.10
1980	2,730	46.87
1979	4,857	68.81
1978	7,052	143.19
1977	9,041	88.40

Including extraordinary gains of $34,183 ($13.68 per share) in 1982, $100,000 ($20.59 per share) in 1979, $414,000 ($58.71 per share) in 1978 and $296,000 ($32.74 per share) in 1977.

‡ Based on average number of shares outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	1-for-100

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,974,519	$ 1,190.76
1980	2,702,580	989.96
1979	2,574,622	530.08
1978	3,954,997	560.83
1977	4,140,019	457.92

‡ Based on average number of shares outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 2,603,605	$ 2,239,866
Gain on sale	541,876	—
Other income	431,800	350,832
Total income	$ 3,577,281	$ 2,590,698
Cost of sales	2,087,144	1,708,827
Expenses	729,117	645,912
Interest expense	38,016	38,008
Loss on equity securities	2,117	69,993
Income before taxes	$ 720,887	$ 127,958
Income taxes	195,262	—
Net Income	$ 525,625	$ 127,958
Extraord. gain	34,183	—
Net Income & Extraord. Gain	$ 559,808	$ 127,958

* Included in Costs and Expenses, Depreciation and Amortization: $128,272 in 1981 and $107,935 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 769,331	$ 548,520
Cert. of deposit	—	300,000
Marketable securities	1,111,831	1,226,755
Accts. & notes receiv., net	88,247	180,335
Unbilled receiv.	—	—
Rates receivable	256,612	—
*Inventories	386,434	392,029
Other assets	87,452	107,342
Current Assets	$ 2,764,859	$ 2,754,981
Rates receivable	319,734	—
Note receiv.	458,744	473,412
Investments	541,889	478,412
#Fixed assets	925,925	855,895
Other assets	215,613	213,358
Total Assets	$ 5,226,764	$ 4,776,058

Liabilities

Long-term debt, curr.	$ 41,622	$ 47,892
Accts. payable	102,748	114,636
Progress pay. in exc. of billing	964,990	953,088
Accruals	135,568	115,936
Accrued payroll	35,998	38,920
Taxes payable	6,093	8,098
Amts. due on tender	108,900	—
Income taxes payable	58,358	—
Other liabilities	124,765	129,770
Curr. Liabilities	$ 1,579,042	$ 1,408,340
Long-term debt	350,612	393,262
Gain on sale	226,563	271,876
Income taxes	96,028	
+Common stock	71,200	81,900
Add. paid-in capital	1,672,445	1,949,634
Retained earnings	1,230,854	671,046
Total Liabilities & Shareholders' Equity	$ 5,226,764	$ 4,776,058

* At lower of cost (FIFO or actual) or market (realizable value).

# Less accumulated depreciation and amortization.

+ $30.00 par value.

Statistical Summary

%Income bef. Taxes to Sales	27.69	—
%Net Income to Sales	20.19	5.71
%Net Income to Equity	17.67	4.73
Sales to Inventories	6.74	5.71
Working Capital	$1,185,817	$1,346,641
Current Ratio	1.75	1.96
Shareholders' Equity	$2,974,519	$2,702,580

Epsco, Incorporated

411 Providence Highway
Westwood, Massachusetts 02090
(617) 329-1500

Officers: Wayne P. Coffin, president & chief executive officer; Edward Barton, v.p.-programs & contracts; J.D.W. Woolcott, v.p.-marine div., Victor F. Camilleri, v.p.-mfg.; Kevin P. Sheehan, v.p.-finance & treasurer; Thomas J. Dunn, v.p.-engineering; Sidney Werlin, clerk & secretary.

Directors: Robert Raymond, chairman; Wayne P. Coffin, Walter W. Curcio, John D.W. Woolcott, Kenneth F. Dietz, Sidney Werlin, James H. Furneaux, Andrew S. Kariotis.

Areas of Work: Designs, manufactures and distributes marine navigation and electronic systems for both commercial and military applications. Military subsystems work includes special purpose analog-to-digital and synchro converters and complex computer interface equipment, radar altimeters, aircraft navigation systems, RF and other microwave test instruments and equipment. Commercial marine navigation includes aline of small boat radars. Loran-C and Position Plotters, Omega, depth sounders, color video fishfinders, radio direction finders and a complete line of simulators used for test and repair.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts 02109

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EPSC (NASDAQ)

Number of Employees:

1981	240	1979	235
1980	240	1977	150

Plant Footage:

1981	60,000 sq. ft.	1979	60,000
1980	60,000	1977	55,000

Sales and Earnings

	Net Sales	Net Income‡
1981	$ 15,402,055	$ 491,410
1980	16,018,338	935,731
1979	13,284,664	1,241,968
1978	9,028,001	604,889
1977	5,355,740	310,805

	No. of Com. Shares	Earn. per Share ‡ #
1981	1,299,102	$ 0.38
1980	1,267,772	0.96
1979	906,822	1.35
1978	887,102	0.67
1977	867,352	0.36

‡ Including extraordinary credits of $131,500 ($0.15 per share) in 1978, and $131,400 ($0.15 per share) in 1977.

# Based on average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,810,705	$ 8.32
1980	10,279,840	8.11
1979	4,231,126	4.67
1978	2,959,050	3.34
1977	2,320,989	2.68

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 15,402,055	$ 16,018,338
Cost of sales	9,517,858	9,219,799
Expenses	5,196,945	4,669,721
Oper. Profit	$ 687,252	$ 2,128,818
Interest income	(285,584)	(48,962)
Interest expense	180,817	445,056
Other charges	17,609	71,993
Income before taxes	$ 774,410	$ 1,660,731
Income taxes	283,000	725,000
Net Income	$ 491,410	$ 935,731

* Included in Costs and Expenses, Depreciation and Amortization: $118,774 in 1981 and $134,816 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 168,174	$ 459,773
Short-term invest	2,215,306	1.715,651
Accts. & notes receiv., nt	2,518,168	3,313,129
Long-term contracts	1,402,513	1,407,368
Refund. inc. taxes	464,591	—
*Inventories	7,688,799	6,961,233
Prepaid expenses	183,383	109,285
Current Assets	$ 14,640,934	$ 13,966,439
#Fixed assets	638,106	572,827
Intangibles	1	1
Total Assets	$ 15,279,041	$ 14,539,267

Liabilities

Accts. payable	$ 1,688,951	$ 1,532,501
Accruals	362,385	396,971
Inc. taxes	—	314,955
Deferred inc. taxes	702,000	275,000
Curr. Liabilities	$ 2,753,336	$ 2,519,427
Long-term debt.	1,500,000	1,500,000
Deferred income taxes	215,000	240,000
+Common stock	1,339,754	10,698,946
Add. paid in capital	9,443,647	—

Retained earnings (deficit)	116,504	(374,906)
Treasury stock (Loss)	(89,200)	(44,200)
Total Liabilities & Shareholders' Equity	$ 15,279,041	$ 14,539,267

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.03	10.37
%Net Income to Sales	3.19	5.84
%Net Income to Equity	4.55	9.10
Sales to Inventories	2.00	2.30
Working Capital	$11,887,598	$11,447,012
Current Ratio	5.32	5.54
Shareholder' Equity	$10,810,705	$10,279,840

Esmark, Inc.

55 East Monroe Street
Chicago, Illinois 60603
(312) 431-3600

Officers: Donald P. Kelly, president & chief executive officer; Roger T. Briggs, sr. v.p.-finance; William P. Carmichael, v.p.-taxes; Edward J. Harrison, v.p. & general counsel; Geoffrey C. Murphy, v.p. & controller; Robert E. Palenchar, v.p.-corp. affairs & personnel; Jay D. Proops, v.p. & treasurer; Philip L. Thomas, v.p.-corp. communications; Earl J. Grimm, secretary; Chance Bahadur, Gary J. Bausom, asst. treasurers; Karl M. Becker, asst. general counsel; John S. Corcoran, Richard A. Nunemaker, asst. controllers; Haldon K. Grant, asst. secretary; James L. Morrison, asst. general counsel; Lawrence E. Magner, asst. v.p.; R. Walter Shipman, asst. controller.

Directors: Samuel B. Casey, Jr., Lester Crown, Archie R. Dykes, Jerome C. Eppler, William B. Johnson, Donald P. Kelly, James J. O'Connor, Richard L. Terrell, Jack A. Vickers, Julia M. Walsh, Elmo R. Zumwalt, Jr.

Areas of Work: Through its Estronico, Inc. subsidiary, manufactures high performance audio and high fidelity loudspeakers. Other industries served by Esmark companies are foods, chemicals and industrial products, energy, personal products and automotive products.

Electronics Subsidiary:

Estronics, Inc.
4309 Transworld Road
Schiller Park, Illinois 60167

Manufactures high performance car and home loudspeakers, conducts wholesale electrical distribution and manufactures short-run metal stampings and investment casings.

International Jensen Inc.
4136 North United Parkway
Schiller Park, Illinois 60167

EESCO, Inc.
2121 South Mannheim Road
Westchester, Illinois 60153
(312) 626-3232

Custom Technologies Corporation
820 Church Street
Evanston, Illinois 60201
(312) 328-4800

Non-Electronics Operating Units:

Estech, Inc. & Eschem, Inc.

Involved in phosphate mining; a fully integrated supplier of fertilizers in the U.S. farm industry; and has growing businesses in the adhesives, specialty chemicals, oil rerefining, engineered products, and dental supply businesses.

International Playtex, Inc.

A worldwide personal products company that manufactures and markets intimate apparel, tampons, hosiery, latex gloves, and baby nursers.

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe Street
Chicago, Illinois 60690

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest, London, and Frankfurt am Main and Dusseidorf.

Ticker Symbol: ESM "

Number of Employees:

1981	30,000	1979	44,000
1980	31,000	1978	45,000

Sales and Earnings ‡

	Net Sales + (000's)	Net Income (000's)
1981	$ 3,076,009	$ 93,769
1980	2,702,868	471,424
1979	2,409,476	88,496
1978	2,073,329	77,908
1977	1,851,269	73,230

	No. of Com. Shares †	Earn. per Share #
1981	12,268,000	$ 7.04
1980	12,603,000	17.51
1979	25,388,000	3.36
1978	25,139,000	2.96

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences and reclassified for operations subject to disposition.
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Foods	$ 1,484,000	$ 1,346,200
Chemicals & industrial products	575,400	500,200
Personal prods.	744,900	659,400
High fidelity & auto prods.	290,700	218,700
Unallocated	37,300	5,800
Total	$ 42,730,300	$ 2,956,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.56	—	5-for-4
1980	1.47	—	—
1979	1.47	—	—
1978	1.47	—	—
1977	1.42	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 609,871,000	$ 49.71
1980	577,352,000	45.48
1979	813,447,000	31.83
1978	761,702,000	30.30

‡ Restated.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	10/31/81	10/25/80 ‡
Net sales	$ 3,076,009	$ 2,702,868
Other income	56,340	27,444
Total income	$ 3,132,349	$ 2,730,312
Cost of sales	2,386,601	2,132,447
Expenses	381,219	318,214
Adv. & sales promo.	175,065	166,952
Interest expense	47,057	40,359
Income before taxes	$ 142,407	$ 72,340
Income taxes	42,840	18,014
Income from cont. oper.	$ 99,567	$ 54,326
Income (loss) from discont. oper.	(5,798)	417,098
Net Income	$ 93,769	$ 471,424

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $53,659,000 in 1981 and $47,586,000 in 1980.
‡ Restated. '

Assets
(000's)

As of	10/31/81	10/25/80 ‡
Cash	$ 10,227	$ 14,861
Temp. invest.	75,291	15,280
Receivables	365,131	326,656
Receiv. from discont. oper.	—	128,702
Refund. inc. taxes	58,500	—
*Inventories	489,741	436,878
Deferred inc. taxes	34,148	54,440
Prepaid expenses & other assets	19,217	11,851
Assets of discont. oper.	55,383	223,330
Current Assets	$ 1,107,638	$ 1,211,998
Investments & other assets	144,610	67,502
Assets of discont. oper.	46,218	128,830
#Fixed Assets	392,119	367,689
Deferred inc. taxes	5,457	—
Intangibles	38,681	41,168
Total Assets	$ 1,743,316	$ 1,825,837

Liabilities
(000's)

Notes payable	$ 33,613	$ 25,479
Long-term debt. curr.	14,214	10,917
Accts. payable & accruals	399,610	375,214
Pension & health-care prog.	22,797	98,396
Income taxes	78,664	96,382
Curr. Liabilities	$ 548,898	$ 606,388
Long-term debt	371,467	384,000
Deferred inc. taxes	—	85,528
Pension & health-care prog.	158,000	118,700
Other liabilities	17,976	18,070
+ Redeemable preferred stock	37,104	35,799
+ Common Stock	12,791	10,240
Add. paid-in capital	114,414	118,248
Retained earnings	522,419	455,191
Eq. adjust. from for. curr. trans.	(14,171)	—
Treasury stock	(25,582)	(6,327)
Total Liabilities & Shareholders' Equity	$ 1,743,316	$ 1,825,837

‡ Restated.
* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

Statistical Summary

%Net Income to Equity	15.38	81.65
Sales to Inventories	6.28	6.19
Working Capital	$558,740,000	$605,610,000
Current Ratio	2.02	2.00
Shareholders' Equity	$609,871,000	$577,352,000

Esquire Radio & Electronics, Inc.

6201 Fifteenth Avenue
Brooklyn, New York 11219
(212) 236-2755

Officers: A. Robert Lieberman, chairman of the board & president; Simon Lynn, executive v.p.; Paul Smith, v.p.-engineering; Nicholas Maffei, v.p.-sales; Harvey Lieberman, v.p.-manufacturing; Gilbert Sherr, treasurer; Joshua Levine, secretary.

Directors: A. Robert Lieberman, chairman; Simon Lynn, Paul Smith, Gertrude Lieberman, Gilbert Sherr.

Areas of Work: Manufactures and imports clock and portable radios, citizens band transceivers, stereophonic portable phonographs and speaker systems, cassette recorders, reel-to-reel tape recorders, turntables and record changers, black and white television sets, scanner radios, small screen T.V.-radio combinations and audio stands. During the three years ended December 31, 1981, over 95% of the Company's sales were to Montgomery Ward.

Subsidiaries:

Tangent Industries, Ltd.
Provides repair and factory refurbishing services.

Transfer Agent(s):

Republic National Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: EE

Plant Footage:

1981 . . . . . . 522,000 sq.ft. 1979 522,000
1980 522,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 68,036,462	$ 2,660,226
1980	51,862,584	1,711,989
1979	37,330,388	1,145,447
1978	48,139,624	1,808,934
1977	39,543,551	1,609,476

	No. of Com. Shares #	Earn. per Share #
1981	483,000	$ 5.51
1980	483,000	3.54
1979	483,000	2.37
1978	575,708	3.14
1977	637,777	2.52

Based on weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.66	—	—
1980	0.45	—	—
1979	0.57	—	—
1978	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 16,341,692	$ 33.83
1980	14,000,246	28.99
1979	12,505,607	25.89
1978	11,635,470	20.21

Based on weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 68,036,462	$ 51,862,584
Cost of sales	62,243,105	46,497,808
Expenses	2,794,060	2,540,960
Interest income	(2,072,179)	(445,836)
Income before taxes	$ 5,071,476	$ 3,269,652
Income taxes	2,411,250	1,557,663
Net Income	$ 2,660,226	$ 1,711,989

* Included in Costs and Expenses, Depreciation and Amortization: $72,733 in 1981 and $24,876 in 1980.

Assets

As of Dec. 31		1980
Cash	$ 6,759,289	$ 10,712,956
Accts. receiv., net	5,773,393	4,110,964
* Inventories	15,649,928	8,379,989
Prepaid expenses	37,764	39,469
Current Assets	$ 28,220,374	$ 23,243,378
# Fixed assets	275,783	43,189
Total Assets	$ 28,496,157	$ 23,286,567
Liabilities		
Notes payable	$ 1,000,000	$ —
Accts. payable	9,820,688	8,335,301
Accruals	532,527	466,020
Income taxes	801,250	485,000
Curr. Liabilities	$ 12,154,467	$ 9,286,321
+ Common stock	65,126	65,126
Add. paid-in capital	640,209	640,209
Retained earnings	17,574,521	15,233,075
Treasury stock	(1,938,164)	(1,938,164)
Total Liabilities & Shareholders' Equity	$ 28,496,157	$ 23,286,567

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.45	6.30
%Net Income to Sales	3.91	3.30
%Net Income to Equity	16.28	12.23
Sales to Inventories	4.35	6.19
Working Capital	$16,065,909	$13,957,057
Current Ratio	2.32	2.50
Shareholders' Equity	$16,341,692	$14,000,246

Esterline Corporation

CBT Plaza
1120 Post Road
Darien, Connecticut 06820
(203) 655-7651

Officers: Charles H. Dyson, chairman of the board; Thomas P. Howes, president & chief executive officer; John J. Kane, Theodore F. Brolund, Edward F. Phillippi, Jr., v.p.'s & group executives; Henri M. Van Bemmelen, v.p.-marketing & product development; John H. MacDonald, v.p. & treasurer; Robert A. Goldschmidt, v.p. & controller; Robert D. Farley, v.p. & secretary & general counsel; Vincent Santilli, asst. treasurer & asst. secretary; Robert L. Weil, asst. controller.

Directors: Charles H. Dyson, Secor D. Browne, Robert F. Goldhammer, Bushrod W. Burns, Jr., Donald J. Jones, Thomas P. Howes, Anne E. Dyson; Lee L. Davenport.

Divisions and Subsidiaries:

Boyar-Schultz Corporation
2000 South 25th Avenue
Broadview, Illinois 60153
(312) 345-1300
Manufactures surface and contour grinding machines for general manufacturing and tool room operations.

W.A. Whitney Corporation
650 Race Street
Rockford, Illinois 61105
(815) 964-6771

W.A. Whitney Italia, S.p.A.
Strada Del Francese 130/9
Turin 10156, Italy
Manufactures automated equipment for sheet metal, plate, and structural steel fabrication.

Excellon Industries
23915 Garnier Street
Torrance, California 90509
(213) 352-8000

Excellon Automation
23915 Garnier Street
Torrance, California 90509
(213) 325-8000
Manufactures automated printed circuit board drilling and routing machinery and optical programming systems of such machinery.

Excellon Micronetics
23915 Garnier Street
Torrance, California 90509
(213) 325-8000
Engaged in the production of automated equipment or hybrid circuit assembly and microcircuit wire bonding.

Excellon Europa GmbH
Justus-Van-Liebig-Str. 19
D-6057 Dietzenbach/BRD
West Germany

Tulon, Inc.
15209 South Broadway
Gardena, California 90248
(213) 532-1040
Produces tungsten carbide printed circuit board drills and metal cutting tools.

Federal Products Corporation
1144 Eddy Street
Providence, Rhode Island 02901
(401) 781-9300
Produces analog and digital dimensional measurement and inspection instruments for industrial quality control applications.

A.G. Davis Gage & Engineering Company
21435 Dequindre Road
Hazel Park, Michigan 48030
(313) 548-9444
Manufactures large dimensional measurement systems, automated index tables, and work holders.

Federal Gages Ltd. (70% owned by Federal Products Corp.)
Brick Knoll Park, Ashley Road
St. Albans, AL1 5PL
Herts, England

Esterline Angus Instrument Corporation
1201 Main Street
Indianapolis, Indiana 46224
(317) 244-7611
Manufactures analog and digital recording instruments, analytical process monitoring and control instrumentation.

Scientific Columbus, Inc.
1900 Arlingate Lane
Columbus, Ohio 43228
(614) 294-5671
Products include: Analog and digital electronic meters, transducers, and instruments for monitoring, billing, and controlling electric power.

Auxitrol
187-189 Boulevard Saint Denis
B.P. 35, 92403 Courbevoie, France

Auxitrol Iberico S.A.
C/Caucho Poligono-Industrial
Apartado num. 30
Torrejon de Ardoz,
(Madrid) Spain

Excellon International
Dominion Way
Near Little Hampton
Rustington, Sussex
England BN16-3HQ
Manufactures automated printed circuit board production machinery, manual printed circuit board drilling and routing machinery.

Nuclear Automation
381 Colonial Manor Road
North Huntingdon, Pennsylvania 15642
(412) 863-1000

Manufactures structural components for naval nuclear vessel power plants; aircraft hydraulic actuators.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): New York

Ticker Symbol: ESL

Plant Footage:

1980	2,129,000 sq. ft.	1977	1,400,000
1979	1,950,000	1976	1,379,000
1978	1,950,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 233,717,000	$ 19,684,000
1980	243,428,000	19,880,000
1979	206,347,000	12,892,000
1978	168,875,000	7,201,000
1977	123,995,000	2,170,000

	No. of Com. Shares #	Earn. per Share #
1981	8,492,000	$ 2.29
1980	7,839,000	2.36
1979	7,580,000	1.55
1978	7,533,000	0.88
1977	7,456,000	0.25

+ Of continuing operations only.

# Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Automation	$ 112,311	$ 126,435
Metrology	55,128	51,309
Data acquisition & controls	48,189	45,621
Nuclear prods.	18,089	20,063
Total	$ 233,717	$ 243,428

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.62	—	—
1980	0.446	—	3-for-2 & 3-for-2
1979	0.312	—	—
1978	0.196	—	—
1977	0.16	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 90,625,000	$ 10.67
1980	78,632,000	10.03
1979	46,963,300	6.20
1978	36,275,000	4.82

‡ After allowing for preferred stock at liquidation value of $100 per share.

# Based on average number of shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1981	1980
Net sales	$ 233,717	$ 243,428
Cost of sales	135,775	143,760
Expenses	56,688	58,255
Interest expense	5,072	4,003
Income before taxes	$ 36,182	$ 37,410
Income taxes	16,498	17,530
Net Income	$ 19,684	$ 19,880

* Included in Costs and Expenses, Depreciation and Amortization: $4,074,000 in 1981 and $3,520,000 in 1980.

Assets
(000's)

As of Oct. 31	1981	1980
Cash	$ 23,358	$ 22,978
Accts. & notes receiv., net	45,464	49,191
*Inventories	51,465	50,538
Prepaid expenses	1,527	1,404
Current Assets	$ 121,814	$ 124,111
#Fixed assets	29,329	27,551
Other assets	2,498	2,185
Intangibles	14,004	14,167
Total Assets	$ 167,645	$ 168,014

Liabilities
(000's)

Notes payable	$ 3,896	$ 3,745
Long-term debt, curr.	1,621	2,452
Accts. payable	14,775	17,329
Accruals	18,665	20,015
Income taxes	905	7,000
Curr. Liabilities	$ 39,862	$ 50,541
Long-term debt	35,554	37,119
Other liabilities	1,604	1,722
+Common stock	1,732	1,732
Add. paid-in capital	13,889	13,889
Retained earnings	78,059	63,641
Cumulative translation adjustments	(1,922)	—
Treasury stock	(1,133)	(630)
Total Liabilities & Shareholders' Equity	$ 167,645	$ 168,014

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.48	15.37
%Net Income to Sales	8.42	8.17
%Net Income to Equity	21.72	25.28
Sales to Inventories	4.54	4.82
Working Capital	$81,952,000	$73,570,000
Current Ratio	3.06	2.46
Shareholders' Equity	$90,625,000	$78,632,000

E-Systems, Inc.

6250 LBJ Freeway
P.O. Box 226030
Dallas, Texas 75266
(214) 661-1000

Officers: John W. Dixon, chairman of the board & president; Kenneth M. Smith, executive vice president; Robert H. Mitchell, David R. Tacke, senior vice presidents; Eugene E. Berg, v.p.-corporate planning; E. Oran Brigham, v.p.-Florida operations; James W. Crowley, v.p., secretary & general counsel; Lee M. Crutchfield, v.p.-corporate administration; E. Gene Keiffer, v.p. & gen. mgr.-Garland Division; Thomas D. Kelly, v.p.-finance & administration, Florida operations; Lloyd K. Lauderdale, v.p.-research & engineering; A. Lowell Lawson, v.p. & gen. mgr.-Greenville Division; Virgil B. Pettigrew, v.p.-finance & chief financial officer; James W. Pope, v.p. & controller; Robert C. Smith, v.p.-customer relations; Harry L. Thurman, v.p.-new business development.

Directors: John W. Dixon, chairman; E.F. Buehring, Duward L. Crow, LeVan Griffis, S. Lee Kling, Francine I. Neff, Robert H. Mitchell, W.F. Raborn, K.M. Smith, D.R. Tacke.

Areas of Work: Engaged in the development and production of command and control systems and equipment; complete systems have included clear and secure communication systems, large-scale data processing systems, software, data-link terminals, displays, and related antennas. Produces and develops electronic warfare systems and electromagnetic support equipment; intelligence processing, which includes signal processing systems, computer systems, and modeling, and systems studies; intelligence collection, which includes signal collection systems and systems studies; tactical/security electronics which includes jamming and deception systems, electronic counter-measure systems, radar homing and warning systems, fuzing and timing devices, intrusion detection devices, and special-purpose devices. Engaged in the production of tactical radios and military communications systems and equipment, and guidance and navigation systems; also produces large diameter satellite commercial communication earth station antennas, automation programs for the U.S. Postal Service, information handling and data-display system, flight control systems, and electronic components, including resistors, rheostats and switches. Also engaged in aircraft overhaul, maintenance and modification.

Divisions and Subsidiaries:

Electronics Systems Group

Garland Division
P.O. Box 226118
Dallas, Texas 75266
(214) 272-0515

Melpar Division
7700 Arlington Boulevard
Falls Church, Virginia 22046
(703) 560-5000

Montek Division
2268 South 3270 West
Salt Lake City, Utah 84119
(801) 973-4300

Commercial Division
P.O. Box 226031
Dallas, Texas 75266
(817) 461-3511

Energy Technology Center
P.O. Box 226118
Dallas, Texas 75266
(214) 272-0515

Aircraft Systems Group

Greenville Division
P.O. Box 1056
Greenville, Texas 75401
(214) 455-3450

Serv-Air, Inc.
P.O. Box 1669
Greenville, Texas 75401
(214) 454-2000

Air Asia Company Limited
Tainan Airfield
Tainan, Taiwan 700
Republic of China
234141

Production Electronics Group

BCI Division
1501 72nd Street No.
St. Petersburg, Florida 33733
(813) 381-2000

Memcor-Tampa Operations
P.O. Box 23500
Tampa, Florida 33623
(813) 885-7826

ESY Export Company, Inc.
P.O. Box 226030
Dallas, Texas 75266
(214) 661-1000

Center for Advanced Planning and Analysis
7900 Westpark Drive, Suite 700
Honeywell Center
McLean, Virginia 22101
(703) 827-0400

Communications Manufacturing Division
P.O. Box 33010
St. Petersburg, Florida 33733
(813) 381-1151

Transfer Agent(s):

First National Bank in Dallas
Dallas, Texas

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: ESY

Number of Employees:

1981	11,770	1978	10,765
1980	11,000	1977	9,816
1979	10,734		

Plant Footage:

1981	4,600,000 sq. ft.	1978	4,184,000
1980	4,370,000	1977	4,184,000
1979	3,990,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 572,045,000	$ 23,837,000
1980	442,229,000	12,759,000
1979	393,728,000	18,617,000
1978	340,399,000	12,650,000
1977	347,353,000	18,980,000

	No. of Com. Shares †	Earn. per Share ‡
1981	13,955,590	$ 1.67
1980	13,792,040	0.93
1979	11,920,904	1.56
1978	8,644,472	1.14
1977	7,449,088	1.81

† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Electronics warfare	$ 311,874	$ 216,332
Command, control & communications	126,014	108,669
Guidance, control & navigation	51,455	36,933
Aircraft maintenance & modification	63,303	66,937
Other products	13,399	13,358
Total	$ 572,045	$ 442,229

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.50	—	2-for-1
1980	0.50	—	—
1979	0.47	—	4-for-3
1978	0.45	—	—
1977	0.41	—	8-for-5

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 159,387,000	$ 11.42
1980	140,209,000	10.17
1979	108,138,000	9.07
1978	91,659,000	10.60
1977	70,220,000	9.43

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 572,045	$ 442,229
Other income	910	1,056
Total Income	$ 572,955	$ 443,285
Cost of sales	473,148	365,852
Expenses	55,001	49,969
Interest expense	4,129	5,669
Income before taxes	$ 40,677	$ 21,785
Income taxes	16,840	9,026
Net Income	$ 23,837	$ 12,759

* Included in Costs and Expenses, Depreciation and Amortization: $8,166,000 in 1981 and $8,219,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & securities	$ 5,904	$ 6,780
Accts. receiv., net	75,206	59,915
Unreimbursed costs & fees	24,486	19,296
Fixed-price contracts	93,861	74,054
Raw materials & purch. parts	12,587	12,587
Recov. inc. taxes	—	3,890
Other assets	1,684	1,580
Current Assets	$ 213,728	$ 178,102
#Fixed assets	62,842	53,615
Defer. charges & other assets	3,844	4,019
Total Assets	$ 280,414	$ 235,736

Liabilities
(000's)

	1981	1980
Accts. payable	$ 30,403	$ 17,769
Accruals	43,660	47,104
Income taxes	11,621	6,930
Curr. Liabilities	$ 85,684	$ 71,803
Long-term debt	27,773	18,111
Employee benefits	2,903	2,585
Deferred inc. taxes	3,230	1,569
Other def. items	1,437	1,459
+Common stock	13,956	8,620
Add. paid-in capital	61,542	64,579
Retained earnings	83,889	67,010
Total Liabilities & Shareholders' Equity	$ 280,414	$ 235,736

Less accumulated depreciation.
+ $1 par value; $0.625 par value in 1980.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.11	4.93
%Net Income to Sales	4.17	2.89
%Net Income to Equity	14.96	9.10
Working Capital	$128,044,000	$106,299,000
Current Ratio	2.49	2.48
Shareholders' Equity	$159,387,000	$140,209,000

Evans & Sutherland Computer Corporation

580 Arapeen Drive
P.O. Box 8700
Salt Lake City, Utah 84108
(801) 582-5847

Officers: David C. Evans, chairman of the board, president & chief executive officer; Richard F. Leahy, v.p.-finance & secretary; Gary E. Meredith, v.p. & chief administrative officer; Rodney S. Rougelot, v.p. & mgr.-simulation systems; Glen E. Cavanaugh, v.p. & mgr.-interactive systems; James L. Conklin, v.p. & mgr.-manufacturing; Jack L. Halvorsen, v.p. & program mgr.-I/C Technology; Gary S. Watkins, v.p. & director of engineering-interactive systems; Robert A. Schumacker, v.p. & director-advanced visual systems.

Directors: David C. Evans, chairman; Cornelius H. Borman, Jr., William R. Hambrecht, William S. Robertson, Ivan E. Sutherland, Peter O. Crisp, Teddy F. Walkowicz, John W.N. Yeomans.

Areas of Work: Designs, manufactures, markets and services special purpose digital computers and software systems used in various operations which are aided by or require visual presentation of a digital model stored in the computer memory. Applicatons include pilot training simulators, design engineering work stations, graphics art design work stations and scientific research.

Subsidiary:

Shape Data LTD.
Cambridge, England

Develops markets and services computer software products for use in geometric mechanical modeling and consulting services related to computer aided design.

Transfer Agent(s):

Zion First National Bank, N.A.
One South Main Street
Salt Lake City, Utah 84111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ESCC (NASDAQ)

Number of Employees:

1981	625	1980	520

Plant Footage:

1981 . . . . . . 147,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 46,439,000	$ 9,440,000
1980	34,673,000	6,126,000
1979	20,028,000	2,379,000
1978	12,999,000	1,720,000
1977	8,468,000	834,000

	No. of Com. Shares	Earn. per Share #
1981	1,720,629	$ 1.07
1980	1,658,296	0.76
1979	1,312,346	0.32
1978	1,302,690	0.26

# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted, adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-1
1980	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 38,858,000	$ 22.58

1980	28,902,000	17.43
1979	11,561,000	8.81
1978	9,142,000	7.02

# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted, adjusted to reflect stock splits.

Income Account *

Year ended	12/25/81	12/26/80
Net sales	$ 46,438,587	$ 34,673,488
Cost of sales	20,796,563	18,079,228
Expenses	10,503,646	6,724,292
Interest income	(2,669,289)	(895,585)
Interest expense	278,907	19,960
Other expense (income)	363,675	(26,802)
Income before taxes	$ 17,165,085	$ 10,772,395
Income taxes	7,725,000	4,646,842
Net Income	$ 9,440,085	$ 6,125,553

* Included in Costs and Expenses, Depreciation and Amortization: $1,595,440 in 1981 and $960,773 in 1980.

Assets

As of	12/25/81	12/26/80
Cash & temp. cash invest.	$ 17,677,793	$ 15,331,813
Receivables, net	17,231,189	11,026,816
Costs in exc. of billings	1,694,907	—
*Inventories	7,705,246	8,255,636
Prepaid expenses	1,245,904	938,771
Deferred tax charge	418,000	336,787
Current Assets	$ 49,973,039	$ 35,889,823
Investment	601,200	300,600
#Fixed assets	6,790,746	5,168,525
Total Assets	$ 53,364,985	$ 41,358,948

Liabilities

Outstanding checques	$ 1,082,287	$ 1,476,882
Long-term debt, curr.	93,699	41,073
Accts. payable	1,672,709	1,305,157
Accruals	3,464,500	2,171,746
Billings in exc. of costs	1,959,699	1,346,798
Cust. deposits	1,995,559	1,838,561
Income taxes	2,873,454	3,089,547
Curr. Liabilities	$ 13,141,907	$ 11,269,764
Long-term debt	1,365,522	1,187,295
+Common stock	1,720,629	1,658,296
Add. paid-in capital	16,570,029	16,112,291
Retained earnings	20,571,387	11,131,302
Treasury stock	(4,489)	—
Total Liabilities & Shareholders' Equity	$ 53,364,985	$ 41,358,948

* Raw materials at lower of weighted average cost or market. Finished foods and work in progress stated at accum. mfg. costs, not in excess of market.

# Less accumulated depreciation and amortization.

+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	36.96	31.07
%Net Income to Sales	20.33	17.67
%Net Income to Equity	24.29	21.19
Sales to Inventories	6.03	4.20
Working Capital	36,831,132	24,620,059
Current Ratio	3.80	3.18
Shareholders' Equity	$38,857,356	$28,901,889

Ex-Cell-O Corporation

2855 Collidge Road
Troy, Michigan 48084
(313) 649-1000

Officers: Edward J. Giblin, chairman & chief exec. officer; E. Paul Casey, president & chief operating officer; Ralph P. White, Otto Kern, Seymour S. Feuer, Allan P. Geddes, group vice presidents; Walter B. Fisher, J. William Lenz, Robert C. Williams, v.p.'s; Alan D. MacDonald, v.p., secretary & general counsel; Richard A. McWhirter,v.p. & controller; Thomas J. Stuart, v.p. & treasurer; Edmund J. Whiting, sr. v.p.-fin.; John G. Turner, Henry E. Gajewski, asst. v.p.'s; June M. Ferguson, Norma R. Tata, asst. secretaries; Jack A. Stone, asst. treasurer.

Directors: Edward J. Giblin*, William G. Meese, Paul R. Trigg, Jr.*, Coleman F. Hogan*, Wendell W. Anderson, Jr., E. Paul Casey*, Edward F. Gibbons, Theodore H. Mecke, Jr., Joseph D. Williams, Carlton M. Higbie, Jr.

* Member of Executive Committee.

Areas of Work: Major product lines of the company fall into five industry segments: Industrial Equipment-Manufactures cutting tools, a wide range of metal cutting and metal-forming machine tools and packaging and materials handling equipment. Automotive Components-Products include interior and exterior flexible urethane parts, heat transfer equipment and gaskets, small DC motors, armetures, and fuel transfer systems. Aerospace-Products include precision blades and vanes, rotating components and fuel-metering devices. Ordnance-Products include turret and gun control systems, armored vehicles and related products. Specialty products include contractor tools, power transmission equipment structural foam parts, computer peripheral equipment, precision metal parts.

Divisions & Plants:

Packaging Systems Division
505 East Jefferson
Bluffton, Ohio 45817
(419) 358-6015
Pure-Pak machines.

Tool and Abrasive Products Division
P.O. Box 89
Junction 38 and 67
Pendleton, Indiana 46064
(317) 778-2144
Honing abrasives.

Tool and Abrasive Products Division
519 West 5th Street
Clare, Michigan 48617
(517) 386-7751
Machine tool accesssories, adjustable boring units, quick change tooling, flat broaches, cutting tools.

Tool and Abrasive Products Division
P.O. Box 248
Industrial Drive
Angola, Indiana 46703
Electrolytic grinding wheels, honing abrasives.

Aerospace Division
P.O. Box 477
South Main Street
E. Windsor, Connecticut 06088
(203) 623-2411
Precision parts for aircraft, gas and steam turbines.

Tool and Abrasive
Products Division
25900 Greenfield Road
Oak Park, Michigan 48237
(313) 968-1700
Carbide metals, inserts, standard and special tools, tool block assemblies.

Tool and Abrasive Products Division
Swannanoa, North Carolina 28778
Gear cutting tools.

Aerospace Division
700 N. Centennial
Zeeland, Michigan 49464
(616) 772-9171
Fuel injection nozzles and spray bars.

Subsidiaries:

Accurate Bushing Company
443 North Avenue
Garwood, New Jersey 07027
(201) 789-1121
Drill jig bushings, railroad pins and bushings, drilling fixtures, precision parts, needle bearings, special bearings, cam rollers.

Atlantic Machine Tool Works, Incorporated
549 Cedar Street
Newington, Connecticut 06111
(203) 666-4601
Precision parts for aircraft, gas and steam turbines, jig boring machines, milling machines, electrochemical machines, electrical discharge machines.

Bryant Grinder Corporation
257 Clinton Street
Springfield, Vermont 05156
(802) 885-5161
Internal grinders, external form grinders, external centerless grinders, center-hole grinders.

Cadillac Gage Company
25760 Groesbeck Highway
P.O. Box 1027
Warren, Michigan 48090
(313) 777-7100
Wheeled armored vehichles, turret control and stabilization systems.

Chicago Gear Manufacturing Co.
2819 West Fulton Street
Chicago, Illinois 60612
(312) 638-0508
Contract gear cutting.

Ex-Cell-O Materials Handling Company
1003 Corning Avenue
St. Paul, Minnesota 55016
(612) 774-6021
Conveyors, materials handling equipment.

Forest City Tool Company
P.O. Box 788
Hickory, North Carolina 28601
(704) 322-4266
Industrial woodworking tools.

Aerospace Division
2500 South J Street
Elwood, Indiana 46036
(317) 552-7301
Aircraft turbine blades and vanes.

Aerospace Division
Court Place
Fostoria, Ohio 44830
(419) 435-6623
Aircraft turbine blades and anes. .

Cadillac Gage Companyn
5963 Jaysville - St. John Road
Greenville, Ohio 45331
(513) 548-3166
Turret control and stabilization systems.

Aerospace Division
201 W. 8th Street
Holland, Michigan 49423
(616) 396-3583
Turbine parts; aircraft fuel nozzles, turbine nozzles, spray rings.

Micromatic Operations
345 E. 48th Street
Holland, Michigan 49423
Hot and cold chamber die casting machines, trim presses, injection molding machines, honing machines, superfinishing machines, structural foam machines.

Manufacturing & Systems Division
2136 Twelfth Street
Rockford, Illinois 61101
(815) 963-4881
Special machine tools, numerically controlled machining centers, transfer, machines, manufacturing systems.

Ex-Cell-O Corporation

Aerospace Division
750 Buckeye Road
P.O. Box 1085
Lima, Ohio 45802
(419) 228-3302
Blades, rotors, spacers and vanes for turbine engines, gas turbines, steam turbine components.

Packaging Systems Division
909 Tower Road
Mundelein, Illinois 60060
(312) 566-9400
"Pure-Pak" ® parts central distribution center.

Remex Division
1733 Alton Street
Irvine, California 92713
(714) 557-6860
Punched tape readers, spoolers and perforators, flexible disk systems.

Packaging Systems Division
850 Ladd Road
Walled Lake, Michigan 48088
(313) 961-5774
Pure-Pak systems R & D, Pure-Pak Laboratory.

Tool and Abrasive Products Division
Topeka, Indiana 46571
Carbide metals.

Con-Drive Operations
240 E. Twelfth Street
Traverse City, Michigan 49684
(616) 946-8410
Worm gear sets, speed reducers, gear motors.

Micro-Precision Operations
519 Berne Street Extension
Berne, Indiana 46711
(219) 589-2136
Automatic assembly and gaging systems, thread and groove gages, adjustable sine plates.

Greenlee Bros. & Co.
2136 Twelfth Street
Rockford, Illinois 61101
(815) 963-4881
Transfer machines, automatic bar machines, iron foundry.

Rockford Machine Tool Co.
2500 Kishwaukee Street
Rockford, Illinois 61101
(815) 963-7611
Milling machines, roll forming machines, planers, shaper/planers, shapers, slotters, duplicators.

Greenlee Tool Co.
Rockford, Illinois 61101
(815) 963-7611
Tools for woodworking machines, conduit and pipe benders, cable pullers, related equipment for electricians, plumbers and contractors.

Ex-Cell-O Corporation of Canada, Limited
P.O. Box 3535
120 Weston Street
London, Ontario, Canada
(519) 965-5397
Precision boring machines, ram turret mills, special machines, transfer machines.

Colonial Tool Operations
1691 Walker Road
Windsor, Ontario, Canada
(519) 965-8680
Cutting tools, broaches, machine tool ways, gear and power transmission products.

Tool & Abrasive Operations
89 Don Street
P.O. Box 910
Clinton, Ontario, Canada
(519) 482-3461
Carbide tool inserts, indexable tool holders.

Ex-Cell-O Corporation (England) Limited
Hastings Road
P.O. Box 133
Leicester, LE5, OHT, England
Precision boring machines, internal grinders, special machines, transfer machines.

Ex-Cell-O GmbH
Salacherstrasse 93 - Post Fach 1160
7332 Eislingen/Fils
West Germany
Precision boring machines, center lathes, gear honers, special machines, transfer machines, numerically controlled machinary centers.

McCord Corporation
2850 West Grand Boulevard
Detroit, Michigan 48202
(313) 875-7000
Supplier of products to passenger car, truck and other vehicle manufacturers; to auto and truck replacement parts distributors.

Davidson Rubber Company, Incorporated
Industrial Park
Dover, New Hampshire 03820
(603) 742-0720
Manufactures and markets high technology urethane and other sophisticated plastic products for interior and exterior use on passenger cars and trucks.

Transfer Agent(s):

Morgan Guaranty Trust Company
30 W. Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: XLO

Number of Employees:

1981	16,300	1978	14,250
1980	16,831	1977	9,825
1979	16,887		

Plant Footage:

1981	7,125,000 sq. ft.	1978	6,450,000
1980	7,078,000	1977	5,042,000
1979	6,450,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$1,124,494,000	$ 56,810,000
1980	1,020,677,000	50,404,000
1979	961,867,000	54,212,000
1978	729,792,000	39,412,000
1977	446,635,778	29,062,784

	No. of Com. Shares #	Earn. per Share #
1981	15,318,000	$ 3.71
1980	15,396,000	3.27
1979	15,324,000	3.54
1978	14,538,000	2.71
1977	11,933,000	2.44

+ Includes operating revenues.
# Based on weighted average number of shares outstanding, adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Industrial equip.	$ 379,861	$ 387,296
Automotive Comp.	245,256	216,321
Aerospace	223,305	197,464
Ordance	114,916	62,996
Other prod.	161,156	156,600
Total	$ 1,124,494	$ 1,020,677

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.44	—	3-for-2
1980	1.32	—	—
1979	1.22	—	—
1978	1.03	—	—
1977	0.91	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 412,814,000	$ 27.30
1980	384,651,000	25.02
1979	351,780,000	22.99
1978	313,312,000	20.80
1977	238,115,976	19.95

# Based on number of shares outstanding, adjusted to reflect stock split.

Income Account *
(000's)

Year ended Nov. 30	1981	1980
Net sales & rev.	$ 1,125,494	$ 1,020,677
Other income	28,671	19,612
Total Income	$ 1,153,165	$ 1,040,289
Cost of sales	900,930	815,073
Expenses	141,399	128,694
Interest expense	7,164	7,679
Income before taxes	$ 103,672	$ 88,843
Income taxes	46,862	38,439
Net Income	$ 56,810	$ 50,404

* Included in Costs and Expenses, Depreciation and Amortization: $29,395,000 in 1981 and $28,552,000 in 1980.

Assets

As of Nov. 30	1981	1980
Cash & marketable secur.	$ 46,388,000	$ 40,902,000
Accts. & notes	155,929,000	156,041,000
Other assets	41,570,000	27,224,000
*Inventories	213,044,000	238,485,000
Current Assets	$ 456,931,000	$ 462,652,000
Investments	31,747,000	11,386,000
#Fixed assets & rental machines	189,375,000	181,986,000
Other assets	43,114,000	49,386,000
Total Assets	$ 721,167,000	$ 705,410,000

Liabilities

Notes payable & long-term debt, curr.	$ 9,549,000	$ 15,084,000
Accts. payable & accruals	184,560,000	189,222,000
Income taxes	17,917,000	22,737,000
Curr. Liabilities	$ 212,026,000	$ 227,043,000
Long-term debt	59,908,000	60,080,000
Deferred itemse	36,419,000	33,636,000
+ Common stock	46,091,000	30,844,000
Add. paid-in capital	57,654,000	74,102,000
Retained earnings	315,305,000	280,564,000
Treasury stock	(6,236,000)	(859,000)
Total Liabilities & Shareholders' Equity	$ 721,167,000	$ 705,410,000

* At lower of cost (FIFO, average and LIFO) or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

%Income bef. Taxes to Sales & Rev.	9.22	8.70
%Net Income to Sales & Revenue	5.05	4.94
%Net Income to Equity	13.76	13.10
Working Capital	$244,905,000	$235,609,000
Current Ratio	2.16	2.04
Shareholders' Equity	$412,814,000	$384,651,000

Extok Microsystems, Inc.

6955 Hayvenhurst Avenue
Van Nuys, California 91406
(213) 989-2630

Officers: Donald J. Farmer, president & treasurer; George M. Barr, v.p.-marketing & asst. secretary; Bernard Shearer, secretary.

Directors: Donald J. Farmer, Bernard Shearer, Robert H. Webster.

Areas of Work: Designs, manufactures, sells and leases microfilm duplication products, and distributes microfilm equipment and film.

Transfer Agent(s):

City National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter.

Sales and Earnings

	Net Sales	Net Income #
1981	$ 1,406,263	$ 43,430
1980	1,267,936	147,594
1979	1,069,213	217,037
1978	867,380	184,172
1977	678,935	110,270

	No. of Com. Shares	Earn. per Share + #
1981	170,269	$ 0.17
1980	189,981	0.57
1979	189,981	0.82
1978	196,047	0.70
1977	196,047	0.42

# Including extraordinary gains of: $16,245 ($0.06 per share) in 1980, $86,000 ($0.32 per share) in 1979, $96,900 ($0.37 per share) in 1978 and $39,500 ($0.15 per share) in 1977.

Common Stock Equity

	Total Equity ‡‡	Equity Per Share
1981	$ 987,641	$ 5.80
1980	991,733	5.22
1979	851,339	4.48
1978	643,088	3.28
1977	461,636	2.35

‡‡ After allowing for preferred stock at par value of $100 per share.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 1,406,263	$ 1,267,936
Other income	81,033	106,626
Total income	$ 1,487,296	$ 1,374,562
Cost of sales	888,830	681,728
Expenses	396,913	403,573
Research & develop.	148,123	76,912
Income before taxes	$ 53,430	$ 212,349
Income taxes	10,000	81,000
Net Income	$ 43,430	$ 131,349
Extraord. gain	—	16,245
Net Income & extraord. gain	$ 43,430	$ 147,594

* Included in Costs and Expenses, Depreciation and Amortization: $31,628 in 1981 and $23,427 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 236,394	$ 386,805
Receiv., net	442,855	312,814
* Inventories	286,193	367,416
Prepaid expenses & other assets	43,343	13,565
Current Assets	$ 1,008,785	$ 1,080,600
‡Rental equip.	12,009	8,935
#Fixed assets	100,875	66,742
Other Assets	30,000	—
Total Assets	$ 1,151,669	$ 1,156,277

Liabilities

	1981	1980
Accts. payable & accruals	$ 79,701	$ 113,878
Accrued payroll	13,990	16,666
Income taxes	6,857	—
Long-term debt; curr. portion	6,270	—
Curr. Liabilities	$ 106,818	$ 130,544
Long-term debt	23,210	—
+ Preferred stock	34,000	34,000
+ + Common stock	9,961	9,801
Add. paid-in capital	3,052,589	3,051,699
Deficit	(2,018,511)	(2,059,201)
Treasury stock	(56,398)	(10,566)
Total Liabilities & Shareholders' Equity	$ 1,151,669	$ 1,156,277

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation.
# Less accumulated depreciation and amortization.
+ $100 par value; 8% cumulative convertible.
+ + $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.80	16.75
%Net Income to Sales	3.09	10.36
%Net Income to Equity	4.25	12.81
Sales to Inventories	4.91	3.45
Working Capital	$ 901,967	$ 950,056
Current Ratio	9.44	8.28
Shareholders' Equity	$1,021,641	$1,025,733

Exxon Corporation

1251 Avenue of the Americas
New York, New York 10020
(212) 398-3000

Officers: C.C. Garvin, Jr., chairman of the board & chief executive officer; H.C. Kaufmann, president; J.F Bennett, J.G. Clarke, D.M. Cox, J.F. Dean, M.E.J. O'Loughlin, L.G. Rawl, senior vice presidents; R. H. Breesford, v.p. - petroleum products; R. J. Kruizenga, v.p. - corporate planning; J.F. Mathis, v.p. - science & technology; G.B. McCullough, v.p. - employee relations; D.K. McIvor, v.p. - producing; F.M. Perkins, v.p. - gas; D.E. Smiley, v.p. - Washington office; Stephen Stamas, v.p. - public affairs; Richard E. Faggioli, v.p. & secretary; A.C. Hamilton, v.p. & treasurer; U.J. LeGrange, v.p. & controller; R.S. Lombard, v.p. & general counsel; R.A. Schroder, v.p. & general tax counsel; R.N. Dolph, E.C. Holmer, W.D. Kruger, W.M. McCardell, Randall Meyer, R.A. Winslow, vice presidents.

Directors: C.C. Garvin, Jr., chairman; J.F. Bennett, Randolph W. Bromery, J.G. Clarke, D.M. Cox, J.F. Dean, Richard Dobson, Edward G. Harness, J.K. Jamieson, H.C. Kauffmann, Franklin A. Long, Donald S. MacNaughton, M.E.J. OLoughlin, Martha Peterson, Bert Phillips, L.G. Rawl, John M. Ricman, Harold A. Shaub, Otto Wolff von Amerongen.

Areas of Work: Through its subsidiary, Exxon Enterprises, the Company is involved in the manufacture, design and marketing of word processing systems.

Electronics Subsidiary:

Exxon Office Systems Company
777 Long Ridge Road
Stamford, Connecticut 06923

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Morgan Guaranty Trust Company of New York
New York, New York

First National Bank of Boston
Boston, Massachusetts

First National City Bank of Houston
Houston, Texas

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Philadelphia, Pacific.

Ticker Symbol: XON

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 113,197,000	$ 5,567,000
1980	108,449,000	5,650,000
1979	83,555,000	4,295,000
1978	63,896,000	2,763,000
1977	57,529,000	2,443,000

	No. of Com. Shares #	Earn per Share #
1981	864,926,000	$ 6.44
1980	869,943,000	6.49
1979	881,687,000	4.87
1978	891,687,000	3.10
1977	895,796,000	2.73

# Based on the weighted average number of common shares outstanding adjusted to reflect two-for-one stock split issued May 1981.

Revenues By Line of Business

	1981	1980
Petroleum and Natural Gas	$ 102,387,000	$ 98,247,000
Chemicals	7,126,000	6,936,000
Other	3,684,000	3,239,000
Total Sales	$ 113,197,000	$ 108,449,000

Fabri-Tek Incorporated

6900 Shady Oak Road
Eden Prairie, Minnesota 55344
(612) 941-9100

Fabri-Tek Incorporated

Officers: M.F. Mickelson, chairman of the board, president & chief financial officer; J.L. Ipsen, v.p.-operations; W.T. Dolan, secretary; J.H. Mortenson, treasurer & controller.

Directors: M.F. Mickelson, chairman of the board; J.L. Ipsen, J.P. Goan, W.T. Welsh; Paul V. Grambsch.

Areas of Work: Engaged in the design, manufacture and sale of memory products, electronic connectors and printed circuit boards. Memory products include magnetic ferrite cores, arrays and stacks, and systems.

Divisions and Subsidiaries:

Computer Group

Computer Systems Division
Eden Prairie, Minnesota

Fabri-Tek Computer Components
Glasgow, Scotland

Fabri-Tek H.K. Limited
Hong Kong

Component X Group

National Connector Division
New Hope & Cokato, Minnesota

Fabri-Tek Circuits, Inc.
Baldwin, Wisconsin

Transfer Agent(s):

First Trust Company of Saint Paul
Saint Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FATK (NASDAQ)

Plant Footage:

1980 . . . . . . 50,000 sq. ft.

Sales and Earnings

	Revenues	Net Income †
1981	$ 38,120,844	$ 3,812,986
1980	33,663,198	2076,163
1979	29,899,181	(2,371,611)
1978	26,398,446	3,812,986
1977	24,654,935	2,076,163

	No. of Com. Shares #	Earn. per Share †#
1981	3,942,268	$0.97
1980	3,701,059	0.56
1979	3,701,059	—
1978	3,701,059	0.14
1977	3,701,059	—

(Loss)

† Including extraordinary gains of $1,541,000 ($0.39 per share) in 1981; $751,300 ($0.20 per share) in 1980 and $102,000 ($0.03 per share) in 1979.

# Based on the weighted average number of shares outstanding during each year.

Revenues By Line of Business

	1980	1979	1978	1977
Memory products	50.0%	47.0%	49.0%	50.0%
Electronic connectors	44.5	39.0	32.0	25.0
Printed circuit boards	5.0	5.0	5.0	4.0
Discontinued oper.	5.0	9.0	14.0	21.0
Total	100.0%	100.0%	100.0%	100.0%

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 1,885,213	$0.51
1979	(358,478)	—

(Deficiency)

Income Account *

Year ended	3/28/80	3/30/79
Net sales	$ 33,059,637	$ 2,716,309
Other income	603,561	182,872
Total income	$ 33,663,198	$ 29,899,181
Cost of sales	25,772,568	24,641,409
Expenses	4,256,943	4,853,420
Interest expense	1,961,229	1,614,089
Income (loss) before taxes	$ 1,672,458	$ (1,209,737)
Income taxes	451,000	202,000
Income (loss) from cont. oper.	$ 1,221,458	$ (1,411,737)
Income (loss from discont. oper.	103,705	(959,874)
	$ 1,325,163	$ (2,371,611)
Net Income (Loss) & Extraord. gain.	751,000	—
Net Income (Loss) & Extraord. gain	$ 2,076,163	$ (2,371,611)

*Included in Costs and Expenses, Depreciation and Amortization: $835,110 in 1980 and $819,667 in 1979.

Assets

As of	3/28/80	3/30/79
Cash	$ 2,087,158	$ 257,612
Comm. paper	1,090,000	—
Receiv., net	5,751,823	5,280,073
*Inventories	6,133,938	6,256,194
Prepaid expenses	312,831	181,193
Current assets of discont. oper.	—	817,039
Current Assets	$ 15,375,750	$ 12,792,111
# Fixed assets	3,178,054	3,132,974
Other assets	458,933	244,445
Intangibles	896,188	896,188
Total Assets	$ 19,908,925	$ 17,065,718

Liabilities

Notes payable	$ 51,470	$ 1,222,577
Long-term debt, curr.	2,686,553	9,027,430
Accts. payable	1,923,504	2,705,805
Accruals	1,363,403	965,091
Accrued payroll	915,805	671,042
Loss on long-term lease oblig.	175,000	233,707
Income taxes	221,154	486,603
Curr. Liabilities	$ 7,336,889	$ 15,312,255
Long-term debt	9,809,188	1,149,658
Deferred income	749,892	815,265
Deferred inc. taxes	127,743	147,018
+ Common stock	370,106	370,106
Add. paid-in capital	4,055,451	3,887,923
Deficit	(2,540,344)	(4,616,507)
Total Liabilities & Shareholders' Equity	$ 19,908,925	$ 17,065,718

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	70.29	—
Sales to Inventories	5.39	4.75
Working Capital	$ 8,038,861	$ —
Current Ratio	2.10	—
Shareholders' Equity (Deficiency)	$ 1,885,213	$ (358,478)

Fairchild Industries, Inc.

Sherman Fairchild Technology Center
20301 Century Boulevard
Germantown, Maryland 20874
(301) 428-6000

Officers: Edward G. Uhl, chairman of the board, president and chief executive officer; Emanuel Fthenakis, Mason Phelps, Donald B. Rassier, Anthony J. Spuria, Gerald J. Tobias, senior v.p.'s; George S. Attridge, v.p.; Robert J. Dixon, James J. Foody, Richard B. Miller, J. Gilbert Nettleton, Jr., Richard G. Orr, John W. Townsend, Jr., v.p.'s; Richard B. Molleur, v.p. and general counsel; John D. Jackson, secretary; William H. Buckland, treasurer; James P. Allen, comptroller.

Directors: Edward G. Uhl*, chairman; Jerold C. Hoffberger*, Mortimer M. Caplin*, Joseph H. Gamache, Charles A. Kuper, Deming Lewis, William T. Marx, Thomas H. Moorer*, Mason Phelps, William V. Platt.

*Member of Executive Committee

Areas of Work: Manufactures commercial and military aircraft, reconditions and services aircraft; also engaged in space satellite production and operation of earth stations, produces tubular extendible elements, deployable solar arrays, and avionics systems for ground and airborne applications, heat transfer equipment, fasteners, tooling for plastics and die casting, analog and digital transducers, air turbines, environmental control systems for ground and airborne applications, heat transfer equipment, air turbine drives, refrigeration systems, pneumatic and cryogenic valves, launchers, flares, valves and transmission systems for industrial machinery and aircraft seating.

Divisions:

Fairchild Aircraft Service Divisio
P.O. Box 1177
Crestview, Florida 32536
(904) 682-2746

Fairchild Republic Company
Farmingdale, Long Island, New York 11735
(516) 531-0105

Fairchild Republic Company
Hagerstown, Maryland 21740
(301) 733-3600

Fairchild Industrial Products Company
1501 Fairchild Drive
Winston-Salem, North Carolina 27105
(919) 767-6010

Fairchild Space & Electronics Company
Sherman Fairchild Technology Center
Century Boulevard
Germantown, Maryland 20767
(301) 428-6000

Fairchild Control Systems Company
1800 Rosecrans Avenue
Manhattan Beach, California 92066
(213) 675-9111

Fairchild Burns Company
1455 Fairchild Road
Winston-Salem, North Carolina
(919) 767-6010

Subsidiaries:

Fairchild Swearingen Corporation
P.O. Box 32486
San Antonio, Texas 78284
(512) 824-9421

VSI Corporation
600 North Rosemead Blvd.
Pasadena, California 91107
(213) 351-8831

Joint Ventures:

Saab-Scania-Fairchild
Linkoping, Sweden
Farmingdale, New York

American Satellite Company
1801 Research Boulevard
Rockville, Maryland 20850
(301) 251-8300

Space Communications Company
1300 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
(301) 258-6800

Transfer Agent(s):

The Chase Manhattan Bank N.A.
1 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: FEN

Number of Employees:

1981	18,640	1978	11,500
1980	18,700	1977	9,500
1979	12,800		

Sales and Earnings

	Net Sales	Net Income +
1981	$1,338,905,000	$ 64 315,000
1980	906,230,000	54,531,000
1979	701,803,000	42,486,000
1978	533,613,000	24,547,000
1977	390,214,000	9,572,261

	No. of Com. Shares †	Earn. per Share # +
1981	13,027,537	$ 3.48
1980	12,877,325	4.02
1979	12,576,170	3.41
1978	12,084,208	2.04
1977	11,615,462	0.82

# Based on average number of shares outstanding adjusted to reflect stock splits.

† Adjusted to reflect stock splits.

+ Including extraordinary gain of $1,388,000 ($0.12 per share) in 1978.

Revenues By Line of Business
(000's)

	1981	1980
Gov't aerospace	$ 632,405	$ 574,642
Commercial aerospace	257,075	255,468
Aerospace fasteners	177,754	25,330
Tooling for plastics	105,231	15,153
General Industry	166,440	35,673
Total	$ 1,338,905	$ 906,230

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.69	—	2-for-1
1979	0.50	—	5-for-4
1978	0.30	—	—
1977	0.15	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 227,319,000	$ 17.45
1980	188,926,000	14.67
1979	138,611,000	11.02
1978	97,824,000	8.10
1977	73,602,622	6.34

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,338,905	$ 906,230
Gain from sale of Bunker Ramo Corp.	31,317	—
Other income	8,454	4,443
Total Income	$ 1,378,676	$ 910,673
Cost of sales	1,096,955	738,642
Expenses	159,782	77,566
Interest expense income	20,476	(876)
Income before taxes	$ 101,463	$ 95,341
Income taxes	37,145	40,810
Net Income	$ 64,318	$ 54,531

* Included in Costs and Expenses, Depreciation and Amortization: $22,559,000 in 1981 and $10,190,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 8,745	$ 8,575
Accts. & notes receiv., net	120,917	117,460
*Inventories	398,723	367,887
Prepaid expenses	5,642	3,706
Current Assets	$ 534,027	$ 497,628
Notes receivable	72,380	—
Investments	55,508	76,345
#Fixed assets	155,852	148,110
Intangibles	82,149	83,987
Other assets	2,524	2,224
Total Assets	$ 902,440	$ 808,294

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 19,727	$ 38,008
Accts. payable	91,137	109,538
Accruals	86,702	77,254
Advances	13,905	8,018
Income taxes	23,364	31,998
Curr. Liabilities	$ 234,835	$ 264,816
Long-term debt	149,581	105,374
Deferred income taxes	129,545	87,951
+Redeemable pref. stock	161,160	161,227
+ +Common stock	16,945	16,795
Add. paid-in capital	35,241	33,399
Retained earnings	177,100	138,732
Cumulative translation adjustment	(1,967)	—
Total Liabilities & Shareholders' Equity	$ 902,440	$ 808,294

* At lower of cost or estimated realizable value.

# Less accumulated depreciation and amortization.

+ No par value; $3.60 cumulative.

+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.58	10.52
%Net Income to Sales	4.80	6.02
%Net Income to Equity	28.29	28.86
Sales to Inventories	3.36	2.46
Working Capital	$299,192,000	$232,812,000
Current Ratio	2.27	1.88
Shareholders' Equity	$227,319,000	$188,926,000

Fansteel Inc.

(96% owned by H.K. Porter Company)

Number One Tantalum Place
North Chicago, Illinois 60064
(312) 689-4900

Officers: Edward P. Evans, chairman of the board & chief executive officer; Arthur W. Dana, president & chief operating officer; John H. Devlin, exec. v.p.; Robert A. Alukonis, v.p. & gen. mgr., VR/Wesson Div.; Conrad L. Brown v.p. & gen. mgr., Metals Div.; Alan F. Busto, v.p. & gen. mgr. - Advanced Structures Division; Edwin R. Clarke, v.p. - employee relations; Carmin D. Dannible, v.p. - corporate operation-analysis; James G. Duggan, v.p., secretary & general counsel; John B. Lambert, v.p. & corp. technical director; Stanley W. Lindroth, v.p. & controller; Robert W. McGinnis, v.p., gen. mgr. - Electronic Products Div.; George W. Swanson, treasurer; Bruce W. Heath, asst. secretary.

Directors: Arthur W. Dana, John H. Devlin, Thomas M. Evans, Richard B. Ogilvie, Robert M. Drevs, Charles V. Emory, Edward P. Evans, John K. Foster, Keith R. Garrity, John R. Kountz.

Areas of Work: Manufactures refractory metals and fabricates high technology products for the automotive, appliance, metal working, mining, aerospace, recreational, electronic and chemical industries. Produces tantalum metal sheets, wire, foil, and powder. Other products lines include tungsten carbide cutting tools, refractory metal mill products, aerospace and aircraft engine components, chemical equipment, electronic materials, commercial castings and electrical contracts.

Divisions:

Electronic Products Division
No. 1 Tantalum Place
North Chicago, Illinois 60064
(312) 689-4900

Manufactures tungsten, molybdenum, silver, and platinum-palladium electrical contacts and tungsten powder, rod and discs.

VR/Wesson Division
Waukegan and Lake Bluff, Illinois
Ferndale, Michigan
Lexington, Kentucky
Plantsville, Connecticut

Carbide cutting tools, holding devices, mining tool bits, and tungsten-carbide wear parts.

Metals Division
North Chicago, Illinois 60064
Muskogee, Oklahoma 74401

Tantalum, columbium and other special metals; electronic-grade tantalum powder, and wire; chemical processing equipment.

Advanced Structures Division

Products and services include special material structures and fabrications primarily for aerospace/aircraft and liquid processing applications; and commercial castings.

Advance Casting
810 Lawrence Drive
Newbury Park, California 91320

California Drop Forge
1033 Alhambra Avenue
Los Angeles, California 90012
(213) 221-1134

Precision Sheet Metal
5235 W. 104th Street
Los Angeles, California 90045
(213) 670-1030

Pasco Gear & Machine, Inc.
2412 W. Durango
Phoenix, Arizona 85005

Fansteel Inc.

Transfer Agent(s):

Morgan Guaranty Trust Company
 of New York
23 Wall Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FNL

Number of Employees:

1981	2,446	1978	2,587
1980	2,440	1977	2,254
1979	2,580		

Plant Footage:

1981	1,468,000 sq. ft.	1978	1,358,574
1980	1,468,000	1977	1,358,574
1979	1,358,574		

Sales and Earnings

	Net Sales	Net Income
1981	$ 226,745,090	$ 12,576,435
1980	250,797,970	15,063,648
1979	178,889,647	9,867,600
1978	129,440,024	5,583,772
1977	116,230,544	4,293,736

	No. of Com. Shares	Earn. per Share
1981	1,435,786	$ 8.75
1980	1,439,310	10.46
1979	1,441,217	6.84
1978	1,443,142	3.86
1977	1,446,901	3.33

Revenues By Line of Business

	1981	1980
Metal Producers	$ 89,640,683	$ 133,109,649
Industrial Tools	77,812,832	72,095,689
Metal Fabrications	59,291,575	45,592,632
Total	$ 226,745,090	$ 250,797,970

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$4.20	—	—
1980	4.90	—	—
1979	2.80	—	—
1978	1.50	—	—
1977	1.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 63,670,671	$ 44.35
1980	57,250,603	39.78
1979	49,294,721	34.20
1978	43,508,670	30.15
1977	40,176,761	27.77

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 226,745,090	$ 250,797,970
Cost of sales	173,866,057	194,764,042
Expenses	23,255,507	21,663,239
Research & develop.	2,488,726	2,448,521
Interest expense	598,995	1,033,065
Other expense	2,046,370	1,636,455
Income before taxes	$ 24,489,435	$ 29,252,648
Income taxes	11,913,000	14,189,000
Net income	$ 12,576,435	$ 15,063,648

* Included in Costs and Expenses, Depreciation: $5,288,802 in 1981 and $4,615,366 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 9,116,615	$ 1,951,184
Accts. receiv., net	26,399,494	26,958,488
*Inventories	31,630,571	32,901,157
Prepaid expenses	566,345	992,245
Current Assets	$ 67,713,030	$ 62,803,074
#Fixed assets	27,512,846	27,154,550
Other assets	858,288	1,339,809
Total Assets	$ 96,084,164	$ 91,297,433

Liabilities

	1981	1980
Long-term debt, curr.	$ 3,056,986	$ 3,051,346
Accts. payable	10,797,543	9,223,706
Accruals	13,262,619	11,611,208
Income taxes	3,062,345	5,102,475
Curr. Liabilities	$ 30,179,493	$ 28,988,735
Long-term debt:		
Conv. subord. notes-5½%	2,234,000	4,234,000
Promissory notes-6¾%	—	600,000
Other	—	224,095
+Common stock	7,178,930	7,196,550
Add. paid-in capital	5,386,521	5,399,772
Retained earnings	51,105,220	44,654,281
Total Liabilities & Shareholders' Equity	$ 96,084,164	$ 91,297,433

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.80	11.66
%Net Income to Sales	5.55	6.01
%Net Income to Equity	19.75	26.31
Sales to Inventories	7.17	7.62
Working Capital	$37,533,537	$33,814,339
Current Ratio	2.24	2.17
Shareholders' Equity	$63,670,671	$57,250,603

Faradyne Electronics Corp.

140 Little Street
Belleville, New Jersey 07109
(201) 759-4667

Officers: Manuel Brucker, chairman & president; Solomon Feldman, treasurer; Irving Scheps, secretary.

Directors: Manuel Brucker, chairman; Solomon Feldman, Janice S. Birnbaum, Jay B. Birnbaum.

Areas of Work: Manufacturers of glass insulators and carbon fixtures.

Subsidiaries:

Mansol Ceramics Company
140 Little Street
Belleville, New Jersey 07109

Digipak Corporation
140 Little Street
Belleville, New Jersey

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1980	$ 2,811,635	$ 572,441
1979	2,752,825	430,188
1978	2,083,739	156,475
1977	1,936,592	172,933
1976	1,287,584	(186,078)

	No. of Com. Shares	Earn. per Share # ‡
1980	554,299	$1.03
1979	561,299	0.77
1978	564,599	0.28
1977	569,599	0.30

(Loss)
‡ Including extraordinary gains of $51,700 ($0.09 per share) in 1977.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 3,121,123	$5.63
1979	2,560,932	4.56
1978	2,134,044	3.78
1977	1,981,944	3.48
1976	1,809,011	3.18

Income Account *

Year ended Jan. 31	1980	1979
Net sales	$ 2,811,635	$ 2,752,825
Other income	123,143	107,478
Total income	$ 2,934,778	$ 2,860,303
Cost of sales	1,632,203	1,535,285
Expenses	529,425	464,967
Interest expense	9,491	6,426
Minority interest	(77,260)	(20,063)
Gain on sale	(112,989)	—
Litigation settlement	(67,333)	—
Income before taxes	$ 1,021,241	$ 873,688
Income taxes	448,800	443,500
Net Income	$ 572,441	$ 430,188

*Included in Costs and Expenses, Depreciation and Amortization: $135,273 in 1980 and $120,986 in 1979.

Assets

As of Jan. 31	1980	1979
Cash	$ 412,629	$ 504,060
Investments	939,003	623,770
Accts. receiv., net	303,500	252,934
*Inventories	295,550	227,599
Other assets	23,374	22,451
Current Assets	$ 1,974,056	$ 1,630,814
# Fixed assets	703,658	577,748
Other assets	542,968	667,548
Real estate	280,062	287,567
Total Assets	$ 3,500,744	$ 3,163,677

Liabilities

	1980	1979
Long-term debt, curr.	$ 23,040	$ 69,511
Accts. payable	76,521	79,981
Accruals	63,982	49,485
Taxes payable	84,277	304,137
Curr. Liabilities	$ 247,820	$ 503,114
Long-term debt	78,520	—
Deferred inc.taxes	53,281	95,381
Other liabilities	—	4,250
+ Common stock	28,696	28,696

Add. paid-in capital	1,429,024	1,429,024
Retained earnings	1,688,406	1,115,965
Treasury stock	(25,003)	(12,753)
Total Liabilities & Shareholders' Equity	$ 3,500,744	$ 3,163,677

*At lower of cost (FIFO and average) or market.
Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	36.32	31.74
%Net Income to Sales	20.36	15.63
%Net Income to Equity	18.34	16.80
Sales to Inventories	9.51	12.10
Working Capital	$ 1,726,236	$ 1,127,700
Current Ratio	7.97	3.24
Shareholders' Equity	$ 3,121,123	$ 2,560,932

Federated Purchaser, Inc.

155 U.S. Route 22
Springfield, New Jersey 07081
(201) 376-8900

825 Union Blvd.
Allentown, Pennsylvania 18103
(215) 437-4481

Officers: Harry J. Fallon, president; Anthony D. Carbone, vice president-retail marketing & secretary; Steven J. Jorden, vice president-industrial marketing; Jane A. Christy, v.p.-operations.

Directors: Arthur C. Kammerman, chairman; Edmond L. Hoener, Harry J. Fallon, John Rudder.

Areas of Work: Engaged in the marketing of electronic parts, components and equipment to industrial and retail customers. To its industrial customers the company sells a broad range of products including semi-conductors, wire, transformers, relay systems, capacitors and electronic tubes. The principal products marketed by the company to retail customers are home entertainment equipment including stereo systems, tape recorders, speakers, radios and related accessories. The company markets its retail products through two stores located in Springfield, New Jersey and Allentown, Pennsylvania. Industrial products are marketed directly by Federated's sales personnel from both locations and in the field.

Transfer Agent(s):

The National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	33	1978	38
1980	33	1977	37
1979	33		

Sales and Earnings

	Net Sales	Net Income
1981	$ 6,222,441	$ 257,407
1980	6,277,706	265,513
1979	5,172,726	177,437
1978	4,534,768	116,840
1977	4,301,534	110,222

	No. of Com. Shares +	Earn. per Share + #
1981	1,349,359	$ 0.19
1980	1,347,564	0.20
1979	1,351,894	0.13
1978	1,351,660	0.09
1977	1,305,831	0.08

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.06	—	5-for-4
1980	0.03	—	—
1979	0.03	—	—
1978	0.03	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 1,796,304	$ 1.33
1980	1,603,337	1.19
1979	1,400,805	1.04
1978	1,270,484	0.94
1977	1,195,517	0.92

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended October 31	1981	1980
Net sales	$ 6,222,441	$ 6,277,706
Cost of sales .	4,546,846	4,611,531
Expenses	1,318,230	1,265,372
Depreciation	18,150	21,137
Interest expense	2,091	3,877
Other income	(153,983)	(134,824)
Income before taxes	$ 491,107	$ 510,613
Income taxes	233,700	245,100
Net Income	$ 257,407	$ 265,513

Assets

As of October 31	1981	1980
Cash	$ 28,890	$ 13,020
Cert. of deposit	589,545	750,000
Accts. receiv., net	689,391	604,382
* Inventories	928,614	805,792
Prepaid expenses	20,848	12,623
Current Assets	$ 2,257,288	$ 2,185,817
# Fixed assets	40,621	55,843
Total Assets	$ 2,297,909	$ 2,241,660

Liabilities

Long-term debt, curr.	$ 8,994	$ 13,970
Accts. payable	242,942	310,410
Accruals	216,931	227,118
Income taxes	32,738	77,834
Curr. Liabilities	$ 501,605	$ 629,332
Long-term debt	—	8,991
+ Common stock	137,329	137,345
Add. paid-in capital	1,682,133	1,680,790
Deficit	(6,869)	(177,917)
Treasury stock	(16,289)	(36,881)
Total Liabilities & Shareholders' Equity	$ 2,297,909	$ 2,241,660

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.89	8.13
%Net Income to Sales	4.14	4.23
%Net Income to Equity	14.33	16.56
Sales to Inventories	6.70	7.79
Working Capital	$1,755,683	$1,556,485
Current Ratio	4.50	3.47
Shareholders' Equity	$1,796,304	$1,603,337

Ferronics Incorporated

60 North Lincoln Road
East Rochester, New York 14445
(716) 377-6820

Officers: Roger Woodward, chairman of the board & treasurer; Walter A. Zarris, president; John Stettinius, v.p.-research and development; Mark Northrup, v.p.-Ferrite Div.; Michael C. Dwyer, secretary; Frank Shepard, controller & asst. treasurer.

Directors: Frank A. Steinhiper, Howard Failmezger, Jan B. Kennedy, Roger Woodward, Walter Zarris, Nicholas C. Gagliano.

Areas of Work: Engaged in the manufacture of ceramic magnetic materials known as ferrites and in the shaping of these materials into devices used in electronic circuitry. Also manufactures transducers for rotating memory devices.

Divisions:

Ferrite Division
East Rochester, New York

Data Materials Division
Springfield, Vermont

Transfer Agent(s):

American Stock Transfer Company
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	50	1978	65
1980	50	1977	65
1979	95		

Plant Footage:

1981	28,000 sq.ft.	1978	28,000
1980	28,000	1977	28,000
1979	28,000		

Sales and Earnings ‡

	Net Sales	Net Income +
1981	$ 2,040,000	$ 34,000
1980	2,056,000	90,000
1979	1,980,000	(122,000)
1978	1,860,000	149,000
1977	1,123,000	(68,000)

	No. of Com. Shares	Earn. per Share +
1981	1,685,780	$ 0.02
1980	1,685,780	0.05
1979	1,685,780	—
1978	1,685,780	0.09
1977	1,685,780	—

Ferronics Incorporated

(Loss)
+ Including extraordinary gains of $16,000 ($0.01 per share) in 1980 and $9,000($0.01 per share) in 1978.
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 342,000	$ 0.20
1980	308,000	0.18
1979	218,000	0.13
1978	339,000	0.20
1977	191,000	0.11

‡ Restated.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,991,271	$ 2,056,416
Cost of sales	1,411,519	1,459,115
Expenses	478,100	412,039
Interest expense	101,776	84,446
Other income	48,731	—
Income before taxes	$ 48,607	$ 100,816
Income taxes	14,650	26,409
Net Income	$ 33,957	$ 74,407
Extraord. gain	—	16,000
Net Income & extraord. gain	$ 33,957	$ 90,407

* Included in Costs and Expenses, Depreciation and Amortization: $122,316 in 1981 and $112,392 in 1980.
‡ Restated.

Assets

	1981	1980 ‡
Cash	$ 150,957	$ 8,364
Accts. receiv., net	414,815	356,363
Accounts receivable	57,750	—
*Inventories	366,299	350,065
Prepaid expenses	19,974	18,481
Current Assets	$ 1,009,795	$ 733,273
#Fixed assets	372,069	332,931
Other assets	56,214	64,151
Total Assets	$ 1,438,078	$ 1,130,355

Liabilities

	1981	1980 ‡
Long-term debt, curr.	$ 84,859	$ 85,632
Accts. payable	224,878	132,779
Accruals	135,815	110,468
Contract advances	282,256	—
Curr. Liabilities	$ 727,808	$ 328,879
Long-term debt	368,254	493,417
+ Common stock	168,578	168,578
Add. paid-in capital	677,516	677,516
Retained earnings (deficit)	(504,078)	(538,035)
Total Liabilities & Shareholders' Equity	$ 1,438,078	$ 1,130,355

‡ Restated.
* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.44	4.90
%Net Income to Sales	1.71	3.62
%Net Income to Equity	9.93	24.15
Sales to Inventories	5.44	5.87
Working Capital	$281,987	$404,394
Current Ratio	1.39	2.23
Shareholders' Equity	$342,016	$308,059

Fifth Dimension Inc.

801 New York Avenue
Trenton, New Jersey 08638
(609) 393-8350

Officers: Sheldon Bitko, vice president-research & development; William D. Kinney, vice president-marketing; Alfred R. Senni, vice president-manufacturing; Elaine H. Cain, secretary.

Directors: David Ginsburg, Frederick J. Grunwald, Charles Wohlstetter, Charles Davidoff, Frederick C. Scherer.

Areas of Work: The Company's business falls into two broad groups; manufacture of telemetry equipment and of components. The principal products of the telemetry group include electronic and electromechanical signal commutators sometimes coupled with analog to digital converters. The primary market for this type of equipment is the defense and the aerospace industries; secondary markets are the Atomic Energy Commission and other private industries. The principal products of the components group include a family of mercury film switches and relays (sold under the name LOGCELL, or more specifically LC1, LC2 and LC3). These products are sold mostly to industrial users. Also manufactures tilt switches for military and industrial applications and slip rings used by the military and aerospace manufacturers.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	45	1977	35
1979	40	1976	72
1978	35		

Plant Footage:

1980	18,000 sq. ft.	1977	8,000
1979	8,000	1976	8,000
1978	8,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 1,730,772	$ 161,160
1980	1,174,084	3,905
1979	971,627	17,589
1978*	777,836	19,066
1977	784,845	(76,925)

	No. of Com. Shares ‡	Earn. per Share ‡†
1981	654,120	$ 0.25
1980	635,495	0.01
1979	616,870	0.03
1978	616,870	0.03
1977	616,870	—

(Loss)
* 53 weeks.
† Including extraordinary gains of $49,793 ($0.08 per share) in 1981, $3,064 in 1978 and extraordinary loss of $7,037 ($0.01 per share) in 1979.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 272,376	$ 0.42
1980	111,216	0.18
1979	98,002	0.16
1978	80,413	0.13
1977	61,347	0.10

‡ Restated.
† Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,730,772	$ 1,174,084
Cost of sales	1,087,338	767,422
Expenses	474,408	415,088
Other income	(7,968)	(12,404)
Income before taxes	$ 176,994	$ 3,978
Income taxes	65,627	73
Net Income	$ 111,367	$ 3,905
Extraord. gain	49,793	—
Net Income & Extraord. gain	$ 161,160	$ 3,905

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $22,145 in 1981 and $21,215 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 75,358	$ 6,529
Accts. receiv., net	214,841	249,315
*Inventories	349,027	296,798
Prepaid expenses	40,783	42,308
Current Assets	$ 680,009	$ 594,950
#Fixed assets	142,002	135,491
Other assets	4,801	4,801
Total Assets	$ 826,812	$ 735,242

Liabilities

	1981	1980 ‡
Notes payable	$ 16,239	$ 16,669
Accts. payable	123,732	187,310
Accrued compens. & vac.	50,417	26,079
Accrued commissions & other	31,684	60,924
State income taxes	15,633	73
Curr. Liabilities	$ 237,705	$ 291,055
Notes payable	316,731	332,971
+ Common stock	327,435	327,435
Add. paid-in capital	291,165	291,165
Deficit	(345,896)	(507,056)
Treasury stock	(328)	(328)
Total Liabilities & Shareholders' Equity	$ 826,812	$ 735,242

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.23	0.34
%Net Income to Sales	6.43	0.33
%Net Income to Equity	40.89	3.51
Sales to Inventories	4.96	3.96
Working Capital	$442,304	$303,895
Current Ratio	2.86	2.04
Shareholders' Equity	$272,376	$111,216

Figgie International Inc.

(formerly A-T-O Inc.)

4420 Sherwin Road
Willoughby, Ohio 44094
(216) 946-9000

Officers: Harry E. Figgie, Jr., chairman of the board and chief executive officer; L.J. Barbee, William G. Gilmore, sr. v.p.'s; James W. Tardiff, sr. v.p.-finance & controller; James S. Anderson, vice president-industrial relations; John M. Fitzpatrick, v.p.-govt. relations; Gary O. Haglund, vice president; L.A. Harthun, sr. v.p.-international, general counsel & secretary; Steven L. Charlton, William F. MacMullen, John W. Partridge, group v.p.'s.

Directors: Harry E. Figgie, Jr., Dale S. Coenen, Ewing T. Boles, F.S. Cornell, Alfred V. Gangnes, Paul F. Hellmuth, Gerald K. Rugger, Walter M. Vannoy, Russell W. McFall,Harrison Nesbit, II, Hans Ulrich Rinderknecht, Raymond E. Rossman, Harold B. Scott, Robert A. Weaver, Jr.

Areas of Work: Comprised of 37 principal divisions and subsidiaries, the Company's business can be grouped into six areas: -consumer & recreation products; fire protection/safety/security; food products machinery; material handling, mining and construction equipment; other industrial products, and technical products.

Divisions and Subsidiaries:

Technical Products Group

Interstate Electronics
707 East Vermont Avenue
Anaheim, Caifornia 92805
(714) 635-7210

Voice data entry computer terminals; Plasma display terminals; Function and pulse generators; Military command and control display systems; Signal processing systems; Off shore oil platform data systems; Environmental surveys and services; Instrumentation and missile tracking systems.

Hartman Electrical Manufacturing
175 North Diamond Street
Mansfield, Ohio 44902
(419) 524-1411

Electrical power switching and solid state controls. Contractors, relays and protective devices.

Hartman Systems
360 Wolf Hill Road
Huntington Station, L.I., New York 11746
(516) 427-7500

Fully integrated electronic systems and products for government and industry; Military display systems; Command and control systems; Telecommunication systems; Telephone management system.

Rusco Electronic Systems
Glendale, California 91201
(213) 240-2540

Electronic Cardentry access controls, copy machine and fuel-control monitoring systems. Time and attendance data collection, labor-distribution and food-service and parking control systems. Bank and identification cards.

Consumer Products Group

Loomtogs
New York, New York 10018

Designer, manufacturer and marketer of ladies', men' and children's active sportswear, especially partication cl thing for tennis and racket spots, golf and yachting.

Rawlings Sporting Goods
2300 Delmar Boulevard
St. Louis, Missouri 53166
(314) 241-2900

Full line of sports equipment for baseball, football, baske ball, soccer, boxing, badminton, golf, hockey, tennis ar wrestling. Uniforms, jackets and shoes.

Fred Perry Sportswear Ltd.
New York, New York 10018

Designer, manufacturer and worldwide marketer of hig fashion tennis clothing and sports apparel.

Interstate Engineering
522 East Vermont Avenue
Anaheim, California 92805
(714) 772-2811

Residential smoke detectors and fire alarms. Compact home vacuum cleaners. Wireless IEC Security System. Aluminum and zinc die castings.

Oliver Sportsgoods Pty. Ltd.
Camden Park, S.A., Australia

Manufacturer of tennis rackets, squash rackets, paddle games. Racket stringing machines. Badminton equipment. Croquet equipment.

Rawlings Golf
Jupiter, Florida 33458
(305) 746-5146

Golf clubs under the Toney Penna, Rawlings, Omega and Lee Trevino brand names. Toney Penna DB, Omega and Lee Trevino golf balls. Parker golf gloves.

Thermometer Corporation of America
Springfield, Ohio 45505
(513) 325-0456

Thermometers, hydrometers, humidity and weather instruments. Tru-Temp thermometers and cooking instruments.

Industrial Products Group

Advance Security
Atlanta, Georgia 30326
(404) 231-1210

Security consultation. Uniformed security guards. Fire, safety, security systems and equipment. Industrial and business investigative service. Large area protection.

American LaFrance
100 East LaFrance Street
Elmira, New York 14902
(607) 734-8181

Custom fire engines, including pumpers, ladder trucks and aerial platforms, fire extinguishers, fire hose and brass goods.

"Automatic" Sprinkler Corp. of America
P.O. Box 180
Cleveland, Ohio 44147
(216) 526-9900

Sprinkler systems; control valves; sprinkler heads; spray nozzles; "Rate-of-Rise" and electric detection systems; electric control panels; alarms; hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
Charlottesville, Virginia 22906
(804) 973-4361

Chemical engines, Portable water, carbon dioxide, and dry chemical fire extinguishers. Halon systems, Range hoods, "Blaze Guard" fire hose and couplings, Brass products for fire protection, industrial and municipal applications.

Scott Aviation
225 Erie Street
Lancaster, New York 14086
(716) 683-5100

Oxygen and air breathing systems, light aircraft accessories. Solid-state oxygen. Gas masks and respiratory devices. Gas analyzers and alarms. Air pollution detection and control eqipment. Safety and first aid equipment.

Snorkel Fire Equipment
St. Joseph, Missouri 64504
(913) 989-4481

Aerial type water delivery systems for fire fighting apparatus. Articulated and telescopic booms, extendable ladders and aerial platforms.

Food Products Machinery Group

Consoliated Packaging Machinery
Alden, New York 14004
(716) 937-3361

High-speed automatic capping equipment for bottles, cans and other containers; crimpers; cotton stuffers; scales; bagclosers; gravity; gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
Milwaukee, Wisconsin 53110
(414) 747-6222

Packaging and bottling equipment. Labeling machinery. Case palletizers. Bottle rinsing and inspection equipment.

Industrial Group

Scott Huber
Charleston, South Carolina 29411
(803) 797-5300

Road building and construction equipment, huber motor graders, rollers and maintainers. Scott hydraulic cranes. Smith truck-mounted turbine and tilter concrete mixers.

Essick/Hadco Manufacturing
1950 Santa Fe Avenue
Los Angeles, California 90021
(213) 629-3341

Vibrating and static road rollers. Plaster, mortar and concrete mixers. Material pumps. Air compressors. Emulsion sprayers. Trailer running gear. Ground handling assemblies.

Kersey Manufacturing
P.O. Box 151
Bluefield, Virginia 24605
(703) 326-1121

Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars, battery chargers; batteries and motors for underground coal mining.

Logan
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1461

Conveyor equipment and material handling systems. Wire partitions and window guards, folding gates. Spiral stairs and ornamental iron-work. Automated package and parcel sorting systems.

Safway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53201
(414) 258-2700

Steel scaffolding and shoring systems. Portable bleachers. Powered mobile platforms and swing stages.

Other Products Group

Figgie Hydraulic Products
Columbus, Ohio 43215
(614) 224-3394

Hydraulic pumps, motors and parts; blowers; hydralic valves, snow plow rams and precision machine products; custom gears for mining, construction and hydraulic equipment.

Fee & Mason
Manasquan, New Jersey 08736
(201) 223-3000

Pipe hanger; pre-formed channel, framing and accessories; engineered pipe suspension systems; anchoring devices and fasteners; pressurized well-water tanks.

Kline Foundries
Alburtis, Pennsylvaia 18011
(215) 966-3966

Gray, ductile and malleable iron castings for transpotation, heating, refrigeration, power transmission and construction.

Western Reserve Container
Painesville, Ohio 44077
(216) 946-8464

Corrugated shipping containers; die cut corrugated inserts for product protection; point-of-sale corrugated floor and counter-top displays; protective inserts.

Other Services

Figgie Acceptance Corporation
Willoughby, Ohio

Figgie Communications Inc.
Los Angeles, California

Figgie Properties Inc.
Willoughby, Ohio

Waite Hill Assurance Ltd.
Hamilton 5, Bermuda

Figgie Resources
Figgie Systems Management Group, Inc.
Figgie Leasing Corporation

Waite Hill Services, Inc.
Atlanta, Georgia

Figgie International Inc.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Oliver Sportsgoods Pty. Ltd.
Australia

"Automatic" Sprinkler Belgium N.V.
Belgium

Figgie do Brasil Industria e Comercio Ltda.
Brazil

Auto-Sentry Fire Protection Systems Ltd.
Geo. J. Meyer Mfg. Canada Ltd.
Sherwood-Drolet Corp. Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
Canada

ASCOA "Automatic" Sprinkler G.m.b.H.
Germany

Rawlins-Caribe S.A.
Rawlins-Haiti S.A.
Haiti

"Automatic" Sprinkler Italiana S.p.A.
Italy

Geo. J. Meyer de Mexico S.A. de C.V.
Mexico

ASCOA "Automatic" Sprinkler Nederland B.V.
Netherlands

Fred Perry Sportswear Ltd.
Meyer Dumore International
United Kingdom

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: FIG

Number of Employees:

1981	15,400	1978	16,850
1980	16,300	1977	16,874
1979	16,820		

Sales and Earnings

	Net Sales	Net Income
1981	$ 769,894,000	$ 25,690,000
1980	759,562,000	20,605,000
1979	690,748,000	17,553,000
1978	628,358,000	15,500,000
1977	567,992,000	11,530,000

	No. of Com. Shares	Earn. per Share #
1981	5,969,495	$ 4.03
1980	5,877,819	3.20
1979	5,873,199	2.70
1978	5,887,939	2.33
1977	5,900,944	1.60

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Consumer	$ 143,864	$ 145,060
Fire Protection/ Safety	274,336	244,231
Machinery & Products	183,272	216,673
Technical	129,171	120,088
Services	39,251	33,510
Total	$ 769,894	$ 759,562

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.62	—	—
1980	0.60	—	—
1979	0.50	—	—
1978	0.46	—	—
1977	0.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 163,990,000	$ 29.85
1980	147,209,000	27.02
1979	132,172,000	22.46
1978	119,517,000	20.30
1977	111,767,000	13.25

‡ After allowing for non-redeemable preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980‡
Net sales	$ 769,894	$ 759,562
Other income	11,060	10,428
Total income	$ 780,954	$ 769,990
Cost of sales	582,648	585,252
Expenses	129,470	122,773
Interest expense	20,766	22,670
Income before taxes	$ 48,070	$ 39,295
Income taxes	22,380	18,690
Net Income	$ 25,690	$ 20,605

* Included in Costs and Expenses, Depreciation and Amortization: $16,951,000 in 1981 and $17,956,000 in 1980.
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Assets
(000's)

As of Dec. 31	1981	1980‡
Cash	$ 6,846	$ 10,324
Accts. & notes receiv., net	127,940	134,481
* Inventories	159,743	159,755
Prepaid expenses	3,922	4,308
Current Assets	$ 298,451	$ 308,868
# Fixed assets	119,422	107,884
Other assets	55,534	47,506
Lease prop. under cap. leases	2,062	2,814
Total Assets	$ 475,469	$ 467,072

Liabilities
(000's)

	1981	1980‡
Notes payable	$ 20,413	$ 23,295
Curr. maturities of long-term deb.	5,313	9,754
Accts. payable	44,402	38,849
Accruals	46,719	42,782
Income taxes	13,727	14,122
Curr. Liabilities	$ 130,574	$ 128,802
Long-term debt.	126,624	134,900
Deferred liabilities	9,785	9,707
Deferred inc. taxes	31,160	32,020
Redeem. Pref. stock	1,597	1,606
+ Serial Preference stock	4,541	4,615
+ + Preference stock	7,198	8,213
+ + + Common stock	589	592
Add. paid-in capital	1,957	2,796
Retained earnings	165,252	145,324
Less unearned compen. rel. to Restricted Stock pur. plan	(925)	(1,503)
Cumulative translation adjustment	(2,883)	—
Total Liabilities & Shareholders' Equity	$ 475,469	$ 467,072

‡ Restated to reflect change in accounting method.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $100 par value.
+ + $1 par value.
+ + + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.24	5.17
%Net Income to Sales	3.33	2.71
%Net Income to Equity	14.61	12.87
Sales to Inventories	4.81	4.75
Working Capital	$167,877,000	$180,066,000
Current Ratio	2.28	2.39
Shareholders' Equity	$175,729,000	$160,037,000

Finnigan Corporation

355 River Oaks Parkway
San Jose, Claifornia 95134
(408) 946-4848

Officers: T.Z. Chu, chairman of the board, & president; Robert E. Finnigan, sr. v.p.-corporate development; John R. Hearn, v.p. & gen. mgr.-Sunnyvale operations; Joseph R. Hohmann, v.p. & gen. mgr.-Bremen operations; Ronald J. Miller, v.p.-human resources; F. Judson Mitchell, v.p. & chief financial officer; Artie L. Pace, v.p. & gen. mgr.-Instruments Customer Support Operations; Joseph C. Trost, v.p., gen. mgr. & president-disc Instruments Inc.; Henry P. Massey, Jr., secretary; R. Michael O'Malley, controller; David J. Sutton, treasurer & asst. secretary.

Directors: T.Z. Chu, chairman of the board; Alexander D. Cross, Robert E. Finnigan, Warren J. Bowles, Charles P. Neidig, Henry E. Riggs, Roger W. Sant, R.C. Mercure, Jr., Peter H. Hengel.

Areas of Work: Manufactures and sells high-technology products, which include: gas chromatography/mass spectrometry analytical instruments; shaft encoders and precision mechanical subsystems for scientific instruments. Products are used in pharmaceutical and biomedical, pollution measurement, forensic science and industrial process control fields.

Divisions and Subsidiaries:

The Sunnyvale Division
845 W. Maude Avenue
Sunnyvale, California 94086
(408) 732-0940

Disc Instruments, Inc.
102 East Baker Street
Costa Mesa, California 92626
(714) 979-5300

Finnigan MAT A.G.
Pfeffingerstrasse 41
4002 Basel, Switzerland

Finnigan MAT GmbH
Benzstrasse 28
Postfach 1253
8039 Puchheim/Munich
Federal Republic of Germany

Finnigan MAT GmbH
Barkhausenstrasse 2
P.O. Box 14 40 62
2800 Bremen 14
Federal Republic of Germany

Finnigan MAT Ltd.
Paradise
Hemel Hempstead, Herts. HP2 4TG
United Kingdom

Finnigan MAT Institute
Triangle Park Drive
Cincinnati, Ohio 45246
(513) 772-5500

Finnigan International Sales Inc.

Responsible for all international marketing and manufacturing activities, which include the operations of subsidiaries in the United Kingdom, West Germany and Switzerland, a liaison office in Japan, and an export office in Sunnyvale, California.

The Customer Services Division

Responsible for all after-sale services functions, including the parts center operation, field engineering, and technical support activities.

Finnigan MAT S.r.l.
Via Valadier, 37B
00193 Rome
Italy

Acquisition(s):

Varian MAT GmbH
Bremen, West Germany

Manufactures mass spectrometers using magnetic sector technology.

Transfer Agent(s):

Wells Fargo Bank, National Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FNNG (NASDAQ)

Number of Employees:

1980	649	1977	428
1979	704	1976	368
1978	525		

Plant Footage:

1980	139,000 sq. ft.	1977	100,000
1979	139,000	1976	42,000
1978	131,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 63,118,000	$ 360,000
1980	43,227,000	1,655,000
1979	39,124,000	1,619,000
1978	29,987,000	1,679,000
1977	22,374,000	1,090,000

	No. of Com. Shares #	Earn. per Share #
1981	3,997,000	$ 0.09
1980	3,410,000	0.49
1979	3,274,000	0.49
1978	3,218,000	0.52
1977	3,112,000	0.35

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Spectrometer products	$ 54,900,000	$ 37,203,000
Optical encoders	8,218,000	6,024,000
Total	$ 63,118,000	$ 43,227,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1
1979	—	—	—
1978	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 21,415,000	$ 5.35
1980	15,083,000	4.42
1979	10,682,000	3.26
1978	8,838,000	2.75
1977	6,934,000	2.23

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 63,118,000	$ 43,227,000
Cost of sales	36,167,000	25,159,000
Expenses	18,554,000	11,472,000
Research & develop.	6,093,000	2,852,000
Interest expense	1,079,000	986,000
Income before taxes	$ 1,225,000	$ 2,758,000
Income taxes	865,000	1,103,000
Net Income	$ 360,000	$ 1,655,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,348,000 in 1981 and $519,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,463,000	$ 554,000
Short-term invest.	—	500,000
Accts. receiv., net	14,401,000	11,278,000
*Inventories	23,486,000	12,211,000
Prepaid taxes	133,000	119,000
Prepaid expenses	257,000	117,000
Current Assets	$ 39,740,000	$ 24,779,000
#Fixed assets	17,019,000	2,235,000
Other assets	1,051,000	789,000
Total Assets	$ 57,810,000	$ 27,803,000

Liabilities

Notes payable	$ 5,915,000	$ 1,286,000
Accts. payable	4,609,000	2,994,000
Accruals	5,595,000	2,094,000
Accrued payroll	3,392,000	1,158,000
Accrued income taxes	898,000	843,000
Cust. deposits	2,060,000	1,441,000
Curr. Liabilities	$ 22,469,000	$ 9,816,000
Long-term debt	1,121,000	1,739,000
Convertible notes	10,690,000	—
Deferred employee benefits	1,792,000	—
Deferred inc. taxes	323,000	1,165,000
+Common stock	15,257,000	8,005,000
Accumulated translation adjustments	(1,280,000)	—
Retained earnings	7,438,000	7,078,000
Total Liabilities & Shareholders' Equity	$ 57,810,000	$ 27,803,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.94	6.38
%Net Income to Sales	0.57	3.83
%Net Income to Equity	1.68	10.97
Sales to Inventories	2.69	3.54
Working Capital	$17,271,000	$14,963,000
Current Ratio	1.77	2.52
Shareholders' Equity	$21,415,000	$15,083,000

Fischer & Porter Company

County Line Road
Warminster, Pennsylvania 18974
(215)674-6000

Officers: Jay H. Tolson, chairman of the board & president; Charles P. Rohmann, vice-chairman & secretary; David J. Nessim, sr. v.p.-intl. operations; Harry L. Peters, sr. v.p.-engineering; Robert S. Peterson, sr. v.p.-marketing; William J. Eckenrode, sr. v.p.-finance & treasurer; Frank P. Houpt, Joseph T. DeLago, asst. secretaries; Joseph A. Gaudioni, asst. treasurer.

Directors: Jay H. Tolson, chairman; Gloria T. Chisum, Charles P. Rohmann, John W. Boyer, Jr., Nathaniel Brewer, David J. Nessim, Frank K. Kelemen, Louis G.L. Thomas, Julius H. Tolson, W. Deming Lewis.

Areas of Work: Design, engineers, manufactures and sells process control instruments equipment and systems, including maintenance services and replacement parts for the measurement, recording and control of the flow of liquids and gases for municipal and industrial water, waste water, and sewage treatment and distribution; and for industrial process control in the petrochemical, pulp and paper, food, metal, mining, electrical power generation, marine and aerospace industries. Products include flow measurement instruments and instruments of a mechanical, electronic and pneumatic type, analytical instruments and chlorinators. Manufactures and sells laboratory industrial glass products, fiberglass products and alloy steel castings.

Subsidiaries:

Andrews Glass Company, Inc.
North West Boulevard & Weymouth Road
Vineland, New Jersey 08360

Furlong Promotions, Inc.
P.O. Box 128
Warminster, Pennsylvania 18974

Warminster Fiberglass Company
Box 188-County Line Road
Southampton, Pennsylvania 18974

Alloy Steel Casting Company
County Line Road
Southampton, Pennsylvania 18974

Fischer & Porter Worldwide, Inc. (DISC)
Wilmington, Delaware

Fischer & Porter U.S. Instrument Co.
Warminster, Pennsylvania

Lab-Crest Scientific Glass Company
Warminster, Pennsylvania

Fischer & Porter Pty. Limited
Melbourne, Australia

Fischer & Porter Hokushin do Brasil
Rua Pachoal Paes, 71
Sao Paulo, Brazil

Fischer & Porter (Canada) Limited
134 Norfinch Drive
P.O. Box 135
Toronto, Ontario, Canada

Fischer & Porter Limited
Salterbeck Trading Estate
Workington, Cumberland, England

Otic-Fischer & Porter
151 Fis Avenue de la Liberation
Clermont-Ferrand, France

Fischer & Porter GmbH
Postfach 701
34 Goettingen, West Germany

Fischer & Porter Italiana, S.p.A.
Via G. de Vittorio 3072
20099 Sesto San Giovanni
Milan, Italy

Fischer & Porter B.V.
Gorinchem, Netherlands

Fischer & Porter Iberica S.A.
Saturnino Celleja 1
Madrid, Spain

Fischer & Porter Ges.m.b.H.
Vienna, Austria

Fischer & Porter, Belgium N.V.
Antwerp, Belgium

Fischer & Porter AB
Stockholm, Sweden

OY Fischer & pprter AB
Helsinki, Finland

Fispo, S.A.
Mexico City, Mexico

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania

Fischer & Porter Company

Stock Exchange(s): American

Ticker Symbol: FP

Number of Employees:

1981	3,937	1978	4,545
1980	4,029	1977	4,446
1979	4,399		

Plant Footage:

1981	1,009,000 sq.ft.	1978	1,009,000
1980	1,009,000	1977	1,009,000
1979	1,009,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 191,112,000	$ 1,354,000
1980	185,212,000	1,147,000
1979	165,115,000	(799,000)
1978	148,276,000	4,639,000
1977	133,129,000	4,503,000

	No. of Com. Shares † +	Earn. per Share ‡ + †
1981	3,045,000	$ 0.44
1980	2,967,000	0.39
1979	2,912,000	—
1978	2,868,000	1.62
1977	2,818,000	1.60

(Loss)

‡ Including extraordinary gains of $124,000 ($0.04 per share) in 1978 and $92,000 ($0.04 per share) in 1977.

+ Based on the monthly weighted average number of common and Class B common shares outstanding adjusted to reflect stock dividends.

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning "Foreign Currency Translation."

Revenues By Line of Business

	1981	1980
Process control	$ 175,933,000	$ 170,200,000
Other	15,179,000	15,012,000
Total	$ 191,112,000	$ 185,212,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	5%	—
1979	—	5%	—
1978	—	5%	—
1977	—	5%	—

Common Stock Equity †

	Total Equity	Equity Per Share +
1981	52,333,000	17.19
1980	54,377,000	18.16
1979	52,686,000	17.98
1978	52,926,000	18.41
1977	47,706,000	16.94

† Restated.

+ Based on weighted average number of common and Class B common shares outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 191,112	$ 185,212
Cost of sales	128,726	129,936
Expenses	47,319	44,244
Oper.profit	$ 15,067	$ 11,032
Foreign exchange (gain)	1,492	(448)
Interest expense	8,346	7,084
Income before taxes	$ 5,229	$ 4,396
Income taxes	3,875	3,249
Net Income	$ 1,354	$ 1,147

* Included in Costs and Expenses, Depreciation and Amortization: $3,921,000 in 1981 and $3,263,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 1,939	$ 2,999
Receiv.,net	46,021	41,861
*Inventories	71,161	67,450
Prepaid expenses	1,425	1,221
Current Assets	$ 120,546	$ 113,531
#Fixed assets	24,328	23,407
Other assets	2,418	2,523
Total Assets	$ 147,292	$ 139,461

Liabilities
(000's)

	1981	1980
Notes payable	$ 20,250	$ 14,553
Long-term debt, curr.	3,351	4,002
Accts. payable	18,029	13,842
Accruals	4,959	5,153
Accrued payroll	9,518	6,673
Income taxes	2,142	1,842
Curr. Liabilities	$ 58,249	$ 46,065
Long-term debt	32,912	35,432
Minority interest	298	444
Other liab.	3,500	3,143
+Common stock	2,532	2,362
+Class B	368	353
Add. paid-in Capital	35,228	32,660
Retained earnings	18,291	19,023
Cumulative trans. adjustment	(4,065)	—
Treasury stock	(21)	(21)
Total Liabilities	$ 147,292	$ 139,461

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.74	2.37
%Net Income to Sales	0.71	0.62
%Net Income to Equity	2.59	2.11
Working Capital	$62,297,000	$67,466,000
Current Ratio	2.07	2.46
Shareholders' Equity	$52,333,000	$54,377,000

Ford Motor Company

The American Road
Dearborn, Michigan 48121
(313) 322-3000

Officers: Philip Caldwell, chairman of the board & chief executive officer; Henry Ford II, chairman of the finance committee; Donald E. Petersen, president & chief operating officer; William C. Ford, vice chairman of the board; Will M. Caldwell, exec. v.p. & chief financial officer; executive vice presidents: John McDougall-Ford int'l Automotive operations, Thomas C. Page-Ford Diversified Products Operations; Harold A. Poling-Ford North American Automotive Operations; Louis R. Ross-Car Product Development Group-Ford North American Automotive Operations; Thomas C. Page-Ford Diversifide Products Operation-vice presidents: James K. Bakken-Operations Support Staffs, Lewis E. Lataif-Gen. Mgr. Ford Div.; Thomas G. Daniels-sales, Ford of Europe Incorporated; John A. Betti-Powertrain & Chassis Operations, Edward J. Blanch-pres., Ford of Europe Incorporated, James A. Cappolongo-gen. mgr., truck operations, Lionel M. Chicoine-purchasing & supply, W. Dale Compton-research, William P. Benton-marketing, Frank A. Erdman-asst. gen. mgr., Ford Tractor Operations, Thomas J. Feaheny-vehicle research; Stuart M. Frey-car engineering, George A. Ferris-basic products operations, James W. Ford-chairman of the board, finance & insurance, Allan D. Gilmour-controller, Robert C. Graham-Latin American Automotive Operations, William J. Hayden-mfg., Ford of Europe Incorporated, Walter Hayes-public affairs, Charles L. Knighton-product development, Ford of Europe Incorporated, Robert A. Lutz-chairman of the board, Ford of Europe Incorporated, Harold C. MacDonald-engineering & research, Philip E. Benton, Jr.-sales operations, Mervyn H. Manning-gen. mgr., Ford Tractor Operations, David N. McCammon-corp. strategy & analysis, Herbert L. Misch-environmental & safety engineering, Henry R. Nolte, Jr.-general counsel, Peter J. Pestillo-labor relations;John Sagan-treasurer, Will Scott-gov't relations, Peter J. Sherry-personnel & organization, Wayne H. Smithey-Washington Affairs, David M. Sparling, exec. v.p., Ford Aerospace & communications corp., Alexander J. Trotman-truck operations, Ford of Europe Incorporated, Lewis C. Veraldi-advanced vehicles development; Edson P. Williams-pres., Ford Asia-Pacific, Inc.;Donald F.Kopka-design, Henry E. Hockeimer-pres., Ford Aerospace & Communications Corporation, Sidney Kelley-secretary, William E. Scollard-body & assembly operations.

Directors: Philip Caldwell, chairman of the board; Henry Ford II, Carter L. Burgess, Arjay Miller, George F. Bennett, Joseph F. Cullman 3rd, Will M. Caldwell, Kenneth H. Olsen, Harold A. Poling, William C. Ford, J. Edward Lundy, Franklin D. Murphy, Clifton R. Wharton, Jr., Marian S. Heiskell, John McDougall, Donald E. Petersen, John B. Connally, Michael D. Dingman, Thomas C. Page.

Areas of Work: Engaged in the manufacture of cars, trucks, tractors,and their parts; also manufactures and sells electronic products, industrial and chemical products, architectural glass, and defense-space products for the government, as well as engaged in finance and insurance operations.

Subsidiaries:

Ford Aerospace & Communications Corporation
Detroit, Michigan

Ford Motor Company Caribbean, Inc.
Canovanas, Puerto Rico

Eveleth Taconite Company*
Eveleth, Minnesota

Ford International Capital Corporation
Hamilton, Bermuda

Ford Motor Credit Company (unconsolidated)
Dearborn, Michigan

Detroit Downtown Development Corporation
(unconsolidated)
Dearborn, Michigan

The American Road Insurance Company
(unconsolidated)
Dearborn, Michigan

Ford Life Insurance Company (unconsolidated)
Dearborn, Michigan

Ford Leasing Development Company (unconsolidated)
Dearborn, Michigan

Ford Motor Land Development Corporation
(unconsolidated)
Dearborn, Michigan

Ford of Europe Incorpoated
Brentwood, Essex, England

Henry Ford & Son, Limited
Cork, Ireland

Ford Tractor (Belgium) Limited
Antwerp, Belgium

Ford Motor Credit Company Limited
(unconsolidated)
Brentwood, Essex, England

Ford Motor Company (Belgium) N.V.*
Antwerp, Belgium

Ford Motor Company (Switzerland) S.A.
Zurich, Switzerland

Ford Motor Argentina, S.A.
Buenos Aires, Argentina

Ford Motor Company, S.A.
Mexico City, Mexico

Ford (Uruguay) S.A.
Montevideo, Uruguay

Ford Motor de Venezuela S.A.
Valencia, Venezuela

Ford Motor Company of Canada, Limited*
Oakville, Ontario, Canada

Ford Motor Company of Australia Limited
Campbellfield, Australia

Ford Motor Company Private Limited
Singapore

Ford Motor Company of South Africa (Proprietary) Limited
Port Elizabeth, South Africa

Ensite Limited
Windsor, Ontario, Canada

Ford Philippines Inc.
Makati, Rizal, Philippines

Ford Brasil S.A.*
Sao Bernardo do Campo, Brazil

Ford-Werke AG
Cologne, Germany

Ford Credit Bank AG (unconsolidated)
Cologne, Germany

Ford Motor Company (Austria) KG
Salzburg, Austria

Ford Motor Company (Egypt) S.A.E.
Alexandria, Egypt

Ford France S.A.
Rueil-Malmaison, France

Ford Italiana, S.p.A.
Rome, Italy

Ford Lusitana, S.A.R.L.
Lisbon, Portugal

Ford Motor Company A/S*
Copenhagen, Denmark

Ford Motor Norge A/S
Kolbotn, Norway

O/Y Ford A/B*
Helsinki, Finland

Ford Nederland N.V.*
Amsterdam, The Netherlands

Ford Motor Company Aktiebolag*
Stockholm, Sweden

Ford Credit S.A. (unconsolidated)
Madrid, Spain

Ford Financiadora S.A. (unconsolidated)
Soo Paulo, Brazil

Japan Automatic Transmission Company, Ltd.
(50% owned)
Fuji City, Japan

Ford Motor Company of Malaysia, Sdn. Bhd.
Kuala Lumpur, Malaysia

Ford Motor Company (Japan) Ltd.
Tokyo, Japan

Ford Espana S.A.
Madrid, Spain

Ford Lio Ho Motor Company, Ltd.*
Taipei, Taiwan

Ford of Europe Incorporated Branch
Cologne, Germany

Ford Credit Australia Limited (unconsolidated)
Melbourne, Australia

Transcon Insurance Limited (unconsolidated)
Hamilton, Bermuda

Ford Asia-Pacific Inc.
Melbourne, Australia

Fordson Coal Company
Dearborn, Michigan

Credit Ford S.A. (unconsolidated)
Paris, France

Ensite Limited Stamping
Mariveles, Philippines

Essex Manufacturing
Windsor, Ontario, Canada

Ford International Finance Corporation
Hamilton, Bermuda

Ford Motor Company Limited
Brentwood, Essex, England

Ford-Werke AG
Genk, Belgium

Philco Radio e Televisao, Ltda.
Sao Palo, Brazil

Ford Motor Company of New Zealand Limited
Lower Hutt, New Zealand

Ford Mid-East and Africa, Incorporated
Dearborn, Michigan

Ford Credit Canada Limited (unconsolidated)
Oakville, Ontario, Canada

* Subsidiaries in which there is an outstanding minority interest.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Bank of America National Trust and Savings Association
Corporate Agency
P.O. Box 37002
San Francisco, California 94137

Continental Illinois National Bank and Trust Company
of Chicago
30 North LaSalle Street
Chicago, Illinois 60693

Manufacturers National Bank of Detroit
100 Renaissance Center
Detroit, Michigan 48243

Montreal Trust Company
P.O. Box 1900, Station B
Montreal, Quebec, Canada H3B 3L6

National Trust Company, Limited
21 King Street East
Toronto, Ontario, Canada M5C 1B3

Stock Exchange(s): New York, Midwest, Pacific, Boston, Philadelphia, Toronto, Montreal

Ticker Symbol: F

Number of Employees:

1981	404,800	1978	506,531
1980	426,700	1977	479,292
1979	494,579		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 38,247,100	$ (1,060,100)
1980	37,085,500	(1,543,300)
1979	43,513,700	1,169,300
1978	42,784,100	1,588,900
1977	37,841,500	1,672,800

	No. of Com. Shares ‡	Earn. per Share ‡
1981	120,300,000	$ —
1980	120,300,000	—
1979	119,900,000	9.75
1978	119,000,000	13.35
1977	118,100,000	14.16

(Loss)
‡ Based on average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Automotive	34,673	91%	33,303	90%
Non-automotive	3,574	9	3,783	10
Total	38,247	100%	37,086	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.20	—	—
1980	2.60	—	—
1979	3.90	—	—
1978	3.50	—	—
1977	3.04	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 7,362,200	$ 61.06
1980	8,567,500	71.05
1979	10,420,700	86.46
1978	9,686,300	80.77
1977	8,456,900	71.15

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 38,247,100	$ 37,085,500
Cost of sales	34,626,200	34,700,600
Expenses	2,042,300	1,930,700
Depreciation	1,168,700	1,057,200
Amort. of special tools	1,010,700	912,100
Emp. retire. plan	655,000	763,200
Interest expense (income)	50,100	(110,600)
Minority interest	(167,800)	(187,000)
Loss before taxes	$ (1,138,100)	$ (1,980,700)
Tax credit	(68,300)	(435,400)
Minority interest	(9,700)	(2,000)
Net Loss	$ (1,060,100)	$ (1,543,300)

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 1,176,500	$ 2,164,100
Marketable securities	923,500	423,100
Receiv., net	2,595,800	2,998,100
*Inventories	4,642,000	5,129,600
Other assets	838,200	844,100
Current Assets	$ 10,176,900	$ 11,559,000
Minority interest	2,348,200	2,142,200
#Fixed assets	9,846,400	10,025,900
Other assets	649,900	620,500
Total Assets	$ 23,021,400	$ 24,347,600

Liabilities
(000's)

Long-term debt, curr.	$ 128,700	$ 83,800
Short-term debt	2,049,000	2,321,800
Acct. payable	3,890,000	4,720,500
Income taxes	208,900	234,600
Accruals	3,663,700	3,711,300
Curr. Liabilities	$ 9,940,300	$ 11,072,000
Long-term debt	2,709,700	2,058,800
Other liabilities	1,856,200	1,444,400
Deferred inc. taxes	1,004,800	1,069,000
Minority interests	148,200	135,900
+Common stock	241,200	241,200
Add. paid-in capital	526,100	526,900
Retained earnings	6,594,900	7,799,400
Total Liabilities & Shareholders' Equity	$ 23,021,400	$ 24,347,600

* At lower of cost (domestic inventories at LIFO; foreign at FIFO) or market.
# Less accumulated depreciation.
+ $2.00 par value.

Statistical Summary

Sales to Inventories	8.24	7.23
Working Capital	$ 236,600,000	$ 487,000,000
Current Ratio	1.02	1.04
Shareholders' Equity	$7,362,200,000	$8,567,500,000

Four-Phase Systems, Inc.

10700 N. DeAnza Boulevard
Cupertino, California 95014
(408) 255-0900

Officers: Lee L. Boysel, chairman of the board & president; John M. Clark, Jr. v.p. -marketing; Jack L. Faith, v.p.-research & development; Ronald D. Garrison, v.p.-field engineering; John J. LaPorta, v.p.-operations; Glen McLaughlin, v.p.-finance & secretary; F. Anthony Yates, Jr., v.p.-systems development; David B. Bossert, Robert J. Clark, Raymond L. Harter, B.G. Starkey, v.p.'s & regional mgrs.; R. Frederick Hodder, treasurer.

Directors: Lee L. Boysel, Christopher W. Brody, Neill H. Brownstein, Allen W. Dawson, Carl M. Vorder Bruegge, Philip Greer.

Areas of Work: Develops, manufactures, markets and services video display-oriented computer systems for distributed data processing applications.

Subsidiaries:

Four-Phase Systems International, Inc. (DISC)
Four-Phase Systems Ltd. (Ontario, Canada)
Four-Phase Sistemas de Processamenta Lda. (Brazil)
Four-Phase Finance, Inc.
Four-Phase Systems Ltd. (United Kingdom)

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: FPS

Number of Employees:

1980	3,748	1977	2,130
1979	3,422	1976	1,415
1978	2,800		

Plant Footage:

1979	580,000 sq. ft.	1977	403,000
1978	403,000	1976	212,000

Sales and Earnings

	Revenues #	Net Income ‡
1980	$197,187,000	$ 5,452,000
1979	178,736,000	16,727,000
1978	135,647,000	12,196,000
1977	88,508,000	9,143,000
1976	63,218,000	7,476,000

	No. of Com. Shares +	Earn. per Shares ‡ +
1980	5,161,000	$1.06
1979	5,082,000	3.29
1978	4,682,000	2.60
1977	3,978,000	2.30
1976	2,517,000	2.97

Includes sales, leases and services.
‡ Including extraordinary gains of $1,790,000 ($0.45 per share) in 1977 and $3,090,000 ($1.22 per share) in 1976.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	—
1976	—	—	1-for-2 +

+ A reverse stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1980	$ 104,182,000	$20.19
1979	94,804,000	18.95
1978	73,171,000	15.28
1977	41,355,000	10.40
1976	30,701,000	7.96

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 113,793,000	$ 113,722,000
Lease & service	83,394,000	65,014,000
Total revenues	$197,187,000	$178,736,000
Cost of sales & services	78,338,000	68,161,000
Expenses	104,302,000	83,007,000
Other expense	469,000	179,000
Financing exp.	6,606,000	4,478
Income before taxes	$ 7,472,000	$ 22,911,000
Income taxes	2,020,000	6,184,000
Net Income	$ 5,452,000	$ 16,727,000

*Included in Costs and Expenses, Depreciation and Amortization: $27,827,000 in 1980 and $21,112,000 in 1979.

Assets

As of Dec. 31	1980	1979
Cash	$ 9,209,000	$ 3,843,000
Receiv., net	17,439,000	24,753,000
*Inventories	35,736,000	39,569,000
Prepaid expenses	1,432,000	1,477,000
Current Assets	$ 63,816,000	$ 69,642,000
Investments and advances	24,893,000	19,600,000
# Equip. for lease	70,459,000	60,131,000
# Fixed assets	19,783,000	15,804,000
Other assets	616,000	788,000
Total Assets	$ 179,567,000	$ 165,965,000

Liabilities

Notes payable	$ —	$ 3,286,000
Accts. payable	7,623,000	9,904,000
Accruals	12,404,000	11,478,000
Income taxes	65,000	1,504,000
Curr. Liabilities	$ 20,092,000	$ 26,172,000
Long-term debt	47,511,000	37,884,000
Deferred inc. taxes	7,782,000	7,105,000
+ Common stock	206,000	200,000
Add. paid-in capital	61,929,000	58,009,000
Retained earnings	42,047,000	36,595,000
Total Liabilities & Shareholders' Equity	$ 179,567,000	$ 165,965,000

*At lower of average cost or market.
# Less accumulated depreciation.
+ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Revenues	3.79	12.82
%Net Income to Revenues	2.76	9.36
%Net Income to Equity	5.23	17.64
Working Capital	$ 43,724,000	$ 43,470,000
Current Ratio	3.18	2.66
Shareholders' Equity	$104,182,000	$ 94,804,000

The Foxboro Company

38 Neponset Avenue
Foxboro, Massachusetts 02035
(617) 543-8750

Officers: Earl W. Pitt, chairman of the board & chief exec. officer; Colin I. W. Baxter, president & chief of operations; Charles A. McKay, exec. v.p., Earl M. Kelly, sr. vice president; Donald P. Aiken, George R. Garby, Gerald H. Gleason, James W. Graham, vice presidents; Howard L. Osler, v.p., secretary & controller; Gerald F. Morris, v.p., treasurer & chief financial officer.

Directors: Rexford A. Bristol*. Bristol B. Crocker. Robert F. Jenkins, Harry W. Knight, John Jeppson II, James R. Nichols*, Earle W. Pitt*, Paul W. Murrill, Ralph Z. Sorenson Earl M. Kelly*, G. Richard Westin, Colin I.W. Baxter, Charles A. McKay.

*Member of Executive Committee.

Areas of Work: Designs, manufactures and sells mechanical, pneumatic and electronic products for process and energy control. Products measure such production variables as flow, pressure, temperature levels; records, indicators, controllers, transmitters, valves and control panel and complete analog and digital systems.

Divisions and Subsidiaries:

Foxboro Brazil, Inc.
100 W. Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro/Jordon Inc.
5607 West Douglas Avenue
Milwaukee, Wisconsin
(414) 461-9200

Foxboro Far East Private Ltd.
P.O. Box 52
Farrer Road
Singapore

Foxboro (Malaysia) Sendirian Berhad
130 Jalan Kasah
Medan Damansara
Kuala Lumpur, 23-10, Malaysia

Foxboro Municipal Sales, Inc.
100 W. Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro-Argentina, S.A.
Avendia R.S. Pena 570
Buenos Aires, Argentina
33-7585

Foxboro Controles, S.A.
P.R. Testing Building
Dr. Mario Julia Industrial Development
Matadero Road
Puerto Nuevo, Puerto Rico 00920
(809) 782-8033

Foxboro Intertrade, Inc.
110 West Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro International Limited
Wiggie House
Redhill
Surrey, England RH,2HL

Foxboro Canada, Inc.
707 Dollard Avenue
La Salle, Quebec, Canada
(514) 366-4210

Foxboro-Yoxall
Division of Foxboro Great
 Britain Ltd.
Redhill
Surrey, England RH1 2HL

Foxboro (Nederland) NV
Koningsweg, 30
Soest, Netherlands

Foxboro S.A.
Avena 410 and 410-A
Mexico 8, DF, Mexico

Foxboro, France, S.A.
B.P. 741
95004 Cergy Pontoise Cedex
France

Foxboro, KK
7, Kojimachi
Chiyoda-Ku
Tokyo, Japan
1048

Foxboro Proprietary Limited
Maroondah Highway
Lilydale 3140 Victoria, Australia

Foxboro Italia, SpA
Via Fabio Filzi, 27
Milan, Italy

Foxboro Deutchland GmbH
4000 Duesseldorf 11
West Germany

Foxboro/I.T.C., Inc.
1750 Junction Avenue
San Jose, California
(408) 998-8720

Foxoboro Trading, Inc.
100 West Tenth Street
Wilmington, Delaware

Foxoboro Intercontinental Ltd.
P.O.Box 3361
Amman, Jordan

Foxboro Analytical Division

Analabs, Inc.
800 Republic Drive
North Haven, Connecticut 06478

ARCAS Chromotography Center
10707 Haddingten Street
Houston, Texas 77043

Balsbaugh Center
Armstrong Road
Plymouth Industrial Park
Plymouth, Massachusetts 02360

Burlington/Center
P.O. Box 435
78 Blanchard Road
Burlington, Massachusetts 01803

Wilks Infrared Center
P.O. Box 499
140 Water Street
South Norwalk, Connecticut 06856

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, London.

Ticker Symbol: FOX

Number of Employees:

1981	11,950	1978	10,568
1980	11,700	1977	9,850
1979	11,001		

Plant Footage:

1981	2,791,415 sq. ft.	1978	2,442,598
1980	2,606,000	1977	2,323,000
1979	2,508,442		

Sales and Earnings ‡

	Net Sales (000's)	Net Income (000's)
1981	606,870	$ 44,837
1980	509,057	31,382
1979	471,539	32,230
1978	395,675	29,776
1977	368,584	32,384

	No. of Com. Shares +	Earn. per Share +
1981	12,468,489	3.60
1980	12,421,287	2.53
1979	12,418,122	2.60
1978	12,343,278	2.41
1977	12,145,536	2.67

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
+ Based on average number of shares outstanding adjusted to reflect stock split.

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.933	—	3-for-2
1980	0.867	—	—
1979	0.817	—	—
1978	0.717	—	—
1977	0.567	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity (000's)	Equity Per Share ‡
1981	$ 309,687	$ 24.84
1980	281,691	22.68
1979	262,570	21.14
1978	238,703	19.34
1977	212,393	17.49

† Restated.
‡ Based on average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 606,870	$ 509,057
Cost of sales	344,940	297,035
Expenses	181,403	161,368
Other income	(4,955)	(8,577)
Interest expense	6,353	3,676
Other charges	1,892	973
Income before taxes	$ 77,237	$ 54,582
Income taxes	32,400	23,200
Net Income	$ 44,837	$ 31,382

* Included in Costs and Expenses, Depreciation and Amortization: $15,656,000 in 1981 and $13,148,000 in 1980.
‡ Restated

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 3,763	$ 5,069
Short-term investments	2,814	15,467
Accts. receiv., net	147,229	121,359
Refundable taxes	13,565	7,364
*Inventories	210,020	183,326
Prepaid expenses	3,083	3,118
Current Assets	$ 380,474	$ 335,703
# Fixed assets	98,911	79,142
Other assets	2,427	3,349
Intangibles	1,688	2,012
Total Assets	$ 483,500	$ 420,206

Liabilities
(000's)

Bank loans	$ 9,844	$ 9,287
Long-term debt, curr.	2,093	2,124
Accts. payable	33,571	32,767
Accruals	32,981	21,526
Advances	45,495	34,272
Income taxes	17,952	8,651
Curr. Liabilities	$ 141,936	$ 108,627
Long-term debt	23,110	22,204
Other liabilities	2,304	2,220
Deferred inc. taxes	6,463	5,464
+ Common stock	12,535	8,325
Add. paid-in capital	70,577	68.718
Cum. trans. adjust	(3,418)	3,752
Retained earnings	230,765	201,766
Treasury stock	(772)	(870)
Total Liabilities & Shareholders'Equity	$ 483,500	$ 420,206

‡ Restated.
* At lower of cost or market. Domestic inventories at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	12,73	10,72
% Net Income to Sales	7.39	6.16
% Net Income to Equity	14.48	11.14
Sales to Inventories	2.89	2.78
Working Capital	$238,538,000	$227,076,000
Current Ratio	2.68	3.09
Shareholders' Equity	$309,687,000	$281,691,000

Frequency Electronics, Inc.

55 Charles Lindberg Boulevard
Mitchel Field, New York 11553
(516) 794-4500

Officers: Martin B. Bloch, president; Abraham Lazar, executive v.p.; John C. Ho, v.p.-research & development; Marvin Meirs, v.p.-engineering; Alfred Vulcan, v.p.-systems engineering; Harry Newman, treasurer & secretary; Markus Hechler, asst. secretary.

Directors: Martin B. Bloch, chairman; John C. Ho. Abraham Lazar, E. John Rosenwald, Jr.

Areas of Work: Operates principally in two industries— frequency and time control products, and microwave integrated circuit components. Operations in the frequency and time control area consist of the research, design and manufacture of systems, instruments and equipment that operate on frequency control. These systems are used in guidance, navigation communications, surveillance and electronic countermeasure and timing systems. Operations in the microwave integrated circuit component industry consist of the design and manufacture and metallized substrates, having application with radar, communications and navigation equipment. Products include: quartz crystals, quartz crystal resonators and cesium beam resonators.

Divisions and Subsidiaries:

Tek-wave, Inc. (100% owned)
Manufacturer of devices, components and sub-systems for Microwave Integrated Circuit (MIC) applications. Products include hermetic and non-hermetic connectors and circuit frames, metallized substrates and thin film circuit fabrication, and sub-system packages which incorporate these various components.

Transfer Agent(s):

Bradford Trust Company
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FEIC (NASDAQ)

Frequency Electronics, Inc.

Number of Employees:

1981 283

Plant Footage:

1981 . . . . . . 131,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1981	$ 14,240,356	$ 2,190,870
1980	9,311,552	783,997
1979	5,636,997	(137,230)
1978	5,318,357	101,289
1977	4,269,129	213,826

	No. of Com. Shares #	Earn. per Share ‡#
1981	2,447,139	$ 0.90
1980	1,984,806	0.39
1979	1,927,576	—
1978	1,953,174	0.05
1977	2,006,668	0.11

(Loss)

†Including extraordinary gains of $244,066 ($0.12 per share) in 1977.

#Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980*
Frequency & time control devices:		
Components	$ 4,415,000	$ 4,090,000
Instruments	7,080,000	3,323,000
Systems	1,811,000	1,108,000
Microwave integrated circ. compon.	934,000	791,000
Total	$ 14,240,000	$ 9,312,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 9,739,220	$ 3.98
1980	2,444,008	1.23
1979	1,655,261	0.86
1978	1,809,459	0.93

†Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 14,240,356	$ 9,311,552
Other income	407,409	—
Total income	$ 14,647,765	$ 9,311,552
Cost of sales	8,861,536	6,744,854
Expenses	1,582,107	1,125,718
Interest expense	20,123	123,983
Other expenses	13,129	—
Income before taxes	$ 4,170,870	$ 1,316,997
Income taxes	1,980,000	533,000
Net Income	$ 2,190,870	$ 783,997

*Included in Costs and Expenses, Depreciation and Amortization: $168,569 in 1981 and $133,764 in 1980.

Assets

As of April 30	1981	1980
Cash & cash equiv.	$ 5,715,436	$ 332,537
Accts. receiv., net	3,852,983	1,994,145
*Inventories	1,646,087	1,011,422
Prepayments and other	151,157	53,616
Current Assets	$ 11,365,663	$ 3,391,720
#Fixed assets	1,359,560	864,166
Other assets	127,420	58,079
Total Assets	$ 12,852,643	$ 4,313,965

Liabilities

Long-term debt, curr.	$ 23,555	$ 80,825
Accts. payable	941,915	822,891
Accruals	200,382	75,765
Accrued payroll	376,994	242,204
Accrued taxes	90,727	86,473
Income taxes pay.	1,479,850	538,244
Curr. Liabilities	$ 3,113.423	$ 1,846,402
Long-term debt	—	23,555
+Common stock	2,743,662	2,223,810
Add. paid-in capital	4,064,511	—
Retained earnings	3,135,642	489,221
Treasury stock	(54,411)	—
Less receiv. from stock	(150,184)	(269,023)
Total Liabilities & Shareholders' Equity	$ 12,852,643	$ 4,313,965

*At lower of cost (specific and average) or market.

#Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	29.29	14.14
%Net Income to Sales	15.38	8.42
%Net Income to Equity	22.50	32.08
Sales to Inventories	8.65	9.21
Working Capital	$8,252,240	$1,545,318
Current Ratio	3.65	1.84
Shareholders' Equity	$9,739,220	$2,444,008

GAP Instrument Corp.

110 Marcus Boulevard
Hauppauge, New York 11787
(516) 273-0909

Officers: Alan G. Binnie, chairman and chief executive officer; Joseph J. Langford, president & treasurer; Henry R. Hess, secretary.

Directors: Alan G. Binnie, Joseph J. Langford, Fred A. Vernon, Richard M. Goldfrank.

Areas of Work: Manufactures electro-mechanical and solid-state systems including instrument-type gear-train mechanisms and electronic components and test and simulation equipment.

Transfer Agent(s):

Registrar & Transfer Co.
P.O. Box 436
Jersey City, New Jersey 07303

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	29	1978	29
1980	30	1977	29
1979	29		

Plant Footage:

1981	27,500 sq. ft.	1979	27,500
1980	27,500		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 1,123,910	$ (59,788)
1980	1,422,819	110,706
1979	983,840	5,209
1978	1,004,432	(86,348)
1977	1,081,380	5,054

	No. of Com. Shares	Earn. per Share +
1981	1,614,454	$ —
1980	1,611,004	0.07
1979	1,611,004	—
1978	1,611,004	—
1977	1,609,604	—

(Loss)

‡ Including extraordinary credits of $20,700 ($0.01 per share) in 1980, $885 in 1979 and $860 in 1977.

+ Based on average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 1,123,910	$ 1,422,819
Cost of sales	775,024	934,983
Expenses	374,638	342,942
Interest expense	34,036	34,188
Income (loss)before taxes	$ (59,788)	$ 110,706
Income taxes	—	20,700
Net Income (Loss)	$ (59,788)	$ 90,006
Extraord. credit	—	20,700
Net Income (Loss) & extraord. credit	$ (59,788)	$ 110,706

* Included in Costs and Expenses, Depreciation: $4,307 in 1981 and $3,915 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 56,889	$ 14,396
Note receivable	—	10,000
Accts. receiv., net	95,876	287,990
*Inventories	255,635	185,774
Prepaid expenses	12,191	11,836
Current Assets	$ 420,591	$ 509,996
#Fixed assets	16,327	14,353
Other assets	13,414	13,414
Total Assets	$ 450,332	$ 537,763

Liabilities

Accts. payable	$ 121,230	$ 143,586
Accruals	13,313	25,546
Accrued payroll	85,204	78,646
Taxes payable	7,993	8,262
Curr. Liabilities	$ 227,740	$ 256,040
Long-term debt	559,325	559,325
Int. on long-term debt	11,940	11,940
+Preferred stock	1,741,324	1,741,324
+ +Common stock	161,445	161,100
Add. paid-in capital	853,219	852,907
Accumulated deficit	(3,104,661)	(3,044,873)
Total Liabilities & Shareholders' Equity	$ 450,332	$ 537,763

* At lower of current cost or market.

# Less accumulated depreciation.

+ $100 par value.

+ + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.78
%Net Income to Sales	—	6.33
Sales to Inventories	4.40	7.66
Working Capital	$ 192,851	$ 253,956
Current Ratio	1.85	1.99
Shareholders' Equity (Deficiency)	$(348,673)	$(289,542)

Gates Learjet Corporation

(65% owned subsidiary of The Gates Rubber Company)

Mid-Continent Airport
P.O. Box 7707
Witchita, Kansas 67277
(316) 722-5640

Officers: Charles C. Gates, chairman of the board; Harry B. Combs, president; Robert E. Cloughley, exec. v.p.-gen. mgr., Fixed Base Operations Div.; A.J. Brizzolara, exec. v.p.-gen. mgr., Jet Electronics & Technology, Inc.; Linden Blue, exec. v.p.-gen. mgr., Aircraft Div.; W.H. Webster, treasurer, R.C. Troll, secretary & general counsel; L. McDonough, assoc. gen. counsel & asst. secretary; A.M. Hain, asst. treasurer, J.R. Greenwood, v.p.-corporate affairs; R.C. Scott, sr. v.p.-operations; B.S. Stillwell, sr. v.p.-marketing; G.D. Gilmore, v.p.-government marketing; A.F. Green, v.p. & gen. mgr.-Tucson operations; D.J. Grommesh, v.p.-research & engineering; R.E. Hamlin, v.p.-manufacturing; F.I. Hedlund, v.p.-international marketing; P.F. Lovett, v.p.-domestic marketing; E.C. Mandenberg, v.p.-materiel; M.F. Mastin, v.p.-marketing programs; D.B. Norton, v.p.-product support; A.G. Ponte, v.p.-quality assurance; E.J. Ekeland, v.p.-Western Region; C.H. Grieve, v.p.-Southern Region; M.D. Mott, v.p.-Eastern Region; J.H. Semcken, Jr., v.p.-Central Region; T.B. Winget, president & gen. mgr.- Combs-Gates Indianapolis, Inc.; R. Anderson, president & gen. mgr.- Combs-Gates Palm Springs, Inc.; H.W. Veverica, v.p.-engineering, J.E.T.

Directors: Charles C. Gates, Neil A. Armstrong, Robert G. Bonham, Harry B. Combs, Frederic C. Hamilton, Kenneth E. Johnson, Hewitt T. Wheless, Albert B. Fay.

Areas of Work: Manufactures and markets jet aircraft; airborne electronics equipment for military and commercial application, including navigation, altitude reference systems, standby gyro horizon and power supply systems; maintains airplane service and sales operations.

Divisions:

Aircraft Division
Mid-Continent Airport
Wichita, Kansas 67277
(316) 722-5640

Aircraft Marketing Center
P.O. Box 11186
Tucson, Arizona 85734
(602) 889-4641

Subsidiaries:

Fixed Base Operations:

Combs-Gates Denver, Inc.
Stapleton International Airport
Denver, Colorado

Combs-Gates Indianapolis, Inc.
Indianapolis International Airport
Indianapolis, Indiana

Combs-Gates Palm Springs, Inc.
Palm Springs Municipal Airport
Palm Springs, California

Jet Electronics & Technology, Inc.
5353 52nd Street
Grand Rapids, Michigan 49508
(616) 949-6600

Transfer Agent(s):

Chemical Bank
770 Broadway
New York, New York 10003

The Fourth National Bank and Trust Company
200 East Douglas
Wichita, Kansas 67202

Citibank, N.A.
111 Wall Street
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: GLJ

Number of Employees:

1980	5,496	1977	3,182
1979	4,471	1976	2,582
1978	3,689		

Sales and Earnings

	Net Sales	Net Income
1980	$ 351,131,000	$ 13,264,000
1979	301,940,000	12,723,000
1978	243,080,000	9,839,000
1977	181,766,000	9,378,000
1976	172,005,000	13,130,000

	No. of Com. Shares #	Earn. per Share #
1980	5,205,751	$2.54
1979	5,204,316	2.42
1978	5,204,316	1.87
1977	5,204,316	1.77
1976	5,204,316	2.45

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.39	10%	—
1979	0.35	10%	—
1978	0.33	—	—
1977	—	10%	—
1976	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1980	$ 83,640,000	$16.05
1979	72,209,000	13.87
1978	61,362,000	11.79
1977	53,245,000	10.23
1976	43,880,000	8.43

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended April 30	1980	1979
Net sales	$ 351,131,000	$ 301,940,000
Other income	2,307,000	726,000
Total income	$ 353,438,000	$ 302,666,000
Cost of sales	286,803,000	244,482,000
Expenses	36,488,000	30,278,000
Interest expense	7,682,000	3,732,000
Income before taxes	$ 22,465,000	$ 24,174,000
Income taxes	9,201,000	11,451,000
Net Income	$ 13,264,000	$ 12,723,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,273,000 in 1980 and $2,405,000 in 1979.

Assets

As of April 30	1980	1979
Cash	$ 8,033,000	$ 10,057,000
Notes & accts. receiv., net	19,638,000	15,306,000
Deferred taxes	2,581,000	866,000
* Inventories	125,302,000	89,818,000
Prepaid expenses	11,712,000	7,507,000
Current Assets	$ 167,266,000	$ 123,554,000
# Fixed assets	39,336,000	32,541,000
Other assets	15,004,000	9,629,000
Total Assets	$ 221,606,000	$ 165,724,000

Liabilities

Notes payable	$ 4,648,000	$ 2,838,000
Long-term debt, curr.	2,233,000	2,507,000
Accts. payable	29,276,000	19,732,000
Accrued liabilities:	16,102,000	12,832,000
Customer deposits	62,089,000	36,936,000
Income taxes	5,466,000	4,227,000
Curr. Liabilities	$ 119,850,000	$ 79,072,000
Long-term debt	16,796,000	13,671,000
Deferred inc. taxes	1,320,000	772,000
+ Common Stock	5,213,000	4,733,000
Add. paid-in capital	47,320,000	34,641,000
Retained earnings	31,107,000	32,835,000
Total Liabilities & Shareholders' Equity	$ 221,606,000	$ 165,724,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.40	8.01
%Net Income to Sales	3.78	4.21
%Net Income to Equity	15.86	17.62
Sales to Inventories	2.80	3.36
Working Capital	$ 47,416,000	$ 44,482,000
Current Ratio	1.40	1.56
Shareholders' Equity	$ 83,640,000	$ 72,209,000

GBC Closed Circuit TV Corp.

315 Hudson Street
New York, New York 10013
(212) 989-4433

Officers: Harry Lefkowitz, chairman of the board & chief exec. officer; Stephen M. Lefkowitz, president; Dar Hyatt, exec. v.p.; Richard Katz, v.p.-traffic operations; Salvatore Benenati, v.p.-manufacturing; Edward Ickowiski, v.p.-engineering; Mark Mirenberg, v.p.-finance; Sydell Ranzman, secretary.

Directors: Harry Lefkowitz, chairman; Stephen M. Lefkowitz, Arthur Homans.

Areas of Work: Manufactures and distributes closed circuit television cameras, monitors, vidicons, lenses and accessories. Also involved in the installation of surveillance and security systems at industrial plant sites as well as installing and operating similar systems at public sporting events.

Subsidiaries:

GBC CCTV Washington Corporation
Riggs Rd., at 1st Place
Washington, D.C. 20011
(202) 882-6131

GBC CCTV California Corporation
20620 South Leapwood Avenue
Carson, California 90746
(213) 538-4770

GBC Electronics Manufacturing Corporation
552 Ridge Road
Princeton, New Jersey 08852

Transfer Agent(s):

Continental Stock Transfer Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBCC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1980	$ 7,188,835	$ 8,653
1979	8,243,586	204,601
1978	8,997,352	105,482
1977	8,458,053	125,225
1976	8,087,540	186,521

	No. of Com. Shares	Earn. per Shares #
1980	334,124	$ 0.03
1979	334,661	0.61
1978	338,818	0.31
1977	313,011	0.36
1976	332,832	0.50

# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	—
1979	—	—	—
1978	—	10%	—
1977	—	—	—
1976	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 2,491,541	$ 7.46
1979	2,476,818	7.41
1978	2,289,792	6.76
1977	2,214,150	7.07
1976	2,173,526	6.53

Income Account *

Year ended May 31	1980	1979
Net sales	$ 7,188,835	$ 8,243,586
Other income	32,603	32,748
Total income	$ 7,221,438	$ 8,276,334
Cost of sales	4,153,273	5,210,311
Expenses	2,625,535	2,629,000
Interest expense	435,367	201,168
Income before taxes	$ 7,263	$ 235,855
Income taxes (credit)	(1,390)	31,254
Net Income	$ 8,653	$ 204,601

* Include in Costs and Expenses, Depreciation and Amortization: $62,753 in 1980 and $45,968 in 1979.

Assets

As of May 31	1980	1979
Cash	$ 19,523	$ 193,829
Accts. receiv., net	1,307,114	1,369,013
* Inventories	3,806,538	3,458,127
Other assets	117,852	210,242
Current Assets	$ 5,251,027	$ 5,231,211
Accts. receiv.	734,369	608,372
# Fixed assets	440,085	437,190
Other assets	41,946	156,368
Total Assets	$ 6,467,427	$ 6,433,141

Liabilities

	1980	1979
Notes payable	$ --	$ 600,000
Long-term debt, curr.	682,581	539,723
Accts. payable	966,778	1,009,048
Accruals	436,082	207,287
Bank acceptances payable	193,578	218,101
Income taxes	153,707	174,196
Curr. Liabilities	$ 2,432,726	$ 2,748,355
Long-term debt	1,311,234	966,488
Deferred inc. taxes	231,926	241,480
+ Common stock	20,151	20,151
Add. paid-in capital	1,613,895	1,613,895
Retained earnings	1,187,960	1,179,307
Treasury stock	(323,340)	(323,235)
Def. value of restricted shares	(7,125)	(13,300)
Total Liabilities & Shareholders' Equity	$ 6,467,427	$ 6,433,141

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales	0.10	2.86
% Net Income to Sales	0.12	2.48
% Net Income to Equity	0.35	8.26
Sales to Inventories	1.89	2.38
Working Capital	$ 2,818,301	$ 2,482,856
Current Ratio	2.16	1.90
Shareholders' Equity	$ 2,491,541	$ 2,476,818

GCA Corporation

209 Burlington Road
Bedford, Massachusetts 01730
(617) 275-9000

Officers: Milton Greenberg, chairman of the board & president; Ephraim Radner, sr. v.p.-finance & administration & treasurer; Edward Yurcisin, exec. v.p.; James E. Gallagher, sr. v.p.-operations; Philip H. Chaffee, v.p. & controller; Pat V. Costa, Carl H. Koning, Paul W. Reagan, Leonard M. Seale, Burton W. Wheeler, Jr., Dennis E. Wisnosky, vice presidents; Warren R. Davidson, v.p.-corporate relations; Michael I. Sandler, v.p.-human resources; Richard D. Stewart, v.p.-corporate development; Roger M. Barzun, secretary.

Directors: Milton Greenberg, chairman; John S. Balfour, Emil R. Borgers, Theodore Levitt, Ephraim Radner, Kenneth J. Thornhill, Edward Yurcisin.

Divisions:

GCA/IC Systems Group
Burlington Division
209 Burlington Road
Bedford, Mass. 01730
(617) 275-5400

Manufactures advanced semiconductor production equipment used to make integrated circuit devices (DSW Wafer Stepper® system) and to fabricate masks that contain circuit design patterns.

GCA/IC Systems Group
California Operations
3570 Ryder Street
Santa Clara, California 95050
(408) 732-5330

Manufactures automated wafer processing equipment (Wafertrac® system)used in "front end" production of semiconductor manufacturing.

GCA/IC Industrial Systems Group
One Energy Center
Naperville, Ill. 60511
(312) 369-2110

Plans, develops and establishes ,products and programs in robotics, integrated factory controls and integrated manufacturing systems.

GCA/PrR Systems
3460 Lexington Avenue North
St. Paul, Minn. 55112
(612) 484-7261

Manufactures remote materials handling and robotic systems used in a variety of industrial applications, including automotive, aerospace, and mining operations.

GCA/Precision Scientific Group
3737 West Cortland Street
Chicago, Ill. 60657
(312) 227-2660

Laboratory apparatus and equipment such as incubators, serological baths, constant temperature ovens, laboratory clamps, vacuum pumps, laboratory centrifuges, and petroleum analytical apparatus; also produces petroleum process monitoring and control instruments (on-line and laboratory).

GCA/Vacuum Industries
5 Middlesex Avenue
Somerville, Mass. 02145
(617) 666-5450

Manufactures vacuum sintering, melting, induction and other furnaces used to heat treat ceramics, metals and other materials under controlled temperature and atmospheric conditions.

GCA/Technology Division
Environmental Services
213 Burlington Road
Bedford, Mass. 01730
(617) 275-5444

Environmental services and technology programs related to solving problems of environmental pollution and hazardous waste monitoring for government, industry and utilities. Develops and manufactures detecting, sensing and measuring instruments.

GCA International
Kreuzlingen, Switzerland

Acquisition(s):

PaR Systems Corp.
3460 Lexington Avenue North
St.Paul, Minnesota
(612) 484-7261

Designs, manufactures and markets remote handling systems for use in nuclear power plants and research and watt-hour meters for electric utilities.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: GCA

Number of Employees:

1981	2,652	1978	1,478
1980	2,802	1977	1,400
1979	2,037		

Plant Footage:

1981	1,223,500 sq. ft.	1978	410,600
1980	680,000	1977	356,600
1979	419,500		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 218,490,000	$ 21,911,000
1980	191,023,000	14,619,000
1979	115,896,000	7,169,000
1978	73,418,000	3,675,000
1977	61,014,000	2,227,000

	No. of Com. Shares #	Earn. per Share #
1981	8,425,000	$ 2.60
1980	8,048,000	1.82
1979	7,170,000	1.00
1978	6,843,000	0.54
1977	6,773,000	0.33

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Industrial prod. equipment	$ 168,095,000	$ 141,572,000
Scientific & ansyltical equipment	34,768,000	28,372,000
Other	15,627,000	21,079,000
Total	$ 218,490,000	$ 191,023,000

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1981	$0.167	50%	—
1980	0.111	50%	—
1979	0.059	50%	—
1978	0.044	—	—
1977	0.030	—	—

Adjusted to reflect stock dividends.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 95,169,000	$ 11.30
1980	71,271,000	8.86
1979	41,288,000	5.76
1978	34,324,000	5.02

† Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	1/3/82	12/28/80 ‡
Net sales	$ 218,490	$ 191,023
Cost of sales	118,157	115,182
Expenses	59,511	47,837
Interest expense	2,494	2,281
Income before taxes	$ 38,328	$ 25,723
Income taxes	16,417	11,104
Net Income	$ 21,911	$ 14,619

*Included in Costs and Expenses, Depreciation and Amortization: $4,567,000 in 1981 and $2,281,000 in 1980.
‡ Restated.

Assets
(000's)

As of	1/3/82	12/28/80 ‡
Cash	$ 3,803	$ 5,918
Accts. receiv., net	55,651	45,100
Unbilled sales	7,560	8,933
*Inventories	56,175	37,998
Prepaid expenses	2,303	4,157
Current Assets	$ 125,492	$ 102,106
#Fixed assets	35,778	23,974
Intangibles	6,517	6,517
Total Assets	$ 167,787	$ 132,597

Liabilities
(000's)

Accts. payable	$ 1,251	$ 242
Long-term debt, curr.	11,681	11,435
Income taxes	1,923	5,694
Deferred inc. taxes	2,131	2,126
Salaries & wages	4,380	4,434
Other taxes	2,387	1,859
Accrued retire. plans	1,597	1,629
Contract payable	—	2,250
Other accruals	5,208	3,220
Curr. Liabilities	$ 30,558	$ 32,889
Long-term debt	32,206	21,953
Oblig. under cap. leases	2,729	2,947
Deferred inc. taxes	7,125	3,537
+ Common stock	4,972	3,225
Add. paid-in capital	34,764	29,629
Retained earnings	58,265	39,480
Restricted stock	(2,832)	(1,063)
Total Liabilities & Shareholders' Equity	$ 167,787	$ 132,597

‡ Restated.
*At lower of cost FIFO or market.
Less accumulated depreciation and amortization.
+ $0.60 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.54	13.47
%Net Income to Sales	10.03	7.65
%Net Income to Equity	23.02	20.51
Sales to Inventories	3.89	5.03
Working Capital	$94,934,000	$69,217,000
Current Ratio	4.11	3.10
Shareholders' Equity	$95,169,000	$71,271,000

General Automation, Inc.

1055 S. East Street
P.O. Box 4883
Anaheim, California 92805
(714) 778-4800

Officers: Leonard Mackenzie, chairman of the board, president & chief exec. officer; Richard A. Cortese, v.p.-operations; Michael A. Kelly, v.p. & president-GA Europe Ltd.; John D. Murray, v.p.-finance & treasurer; Irwin L. Kwatek, v.p.-legal & secretary; Stephen R. McKenzie, v.p. & president -Computer Group; Melvin E. Stever, v.p.& president-National Technology; James C. Tung, v.p.-corp. planning.

Directors: Leonard N. Mackenzie, chairman of the board; James Vance, John B. Conlan, Jr. Dennis H. Nystrom, Henry Ugarte.

*Member of Executive Committee.

Areas of Work: Produces manufacturing control computers and mini-controllers which include computer peripheral controllers, communication controllers, analog-to-digital and digital-to-analog converters, analog output units, terminals, microprocessors, and other input/output devices.

Subsidiaries:

Computek
143 Albany Street
Cambridge, Massachusetts 02139
(617) 864-5140

Lamination Technology
2720 South Main Street
Santa Ana, California 92707
(714) 556-1460

National Technology
220 West Central
Santa Ana, California 92707
(714) 546-6186

Exact Image
1620 East Ball Road
Anaheim, California 92805
(714) 956-1620

Transfer Agent(s):

Bank of America
Corporate Agency Division
555 So. Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GENA (NASDAQ)

Number of Employees:

1981	1,800	1978	2,230
1980	N.A.*	1977	1,875
1979	2,350		

* Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 124,891,000	$ 123,000
1980	125,809,000	(14,933,000)
1979	115,675,000	2,510,000
1978	98,380,000	6,173,000
1977	84,476,000	1,874,000

	No. of Com. Shares	Earn. per Share + ‡
1981	2,581,090	$ 0.05
1980	2,541,580	—
1979	2,528,945	0.97
1978	2,502,185	2.43
1977	2,488,515	0.75

(Loss)
‡ Including extraordinary credits of $436,000 ($0.17 per share) in 1981, $165,000 ($0.06 per share) in 1980, $1,565,000 ($0.61 per share) in 1979, $2,208,000 ($0.87 per share) in 1978 and $420,000 ($0.17 per share) in 1977.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 23,390,000	$ 9.06
1980	23,005,000	9.05
1979	37,836,000	14.96
1978	35,134,000	14.04
1977	29,355,000	11.80

Income Account *

Year ended July 31	1981	1980
Net sales	$ 124,891,000	$ 125,809,000
Cost of sales	82,453,000	88,955,000
Expenses	33,317,000	44,864,000
Interest expense	8,301,000	7,674,000
Other expense (income)	(607,000)	178,000
Prov. for loss on dispos.	(100,000)	4,000,000
Income (loss) before taxes	$ 1,527,000	$ (19,970,000)
Income taxes (credit)	1,840,000	(4,872,00)
Net Loss	(313,000)	(15,098,000)
Extraordinary gain	$ 436,000	$ 165,000
Net Loss extraord. gain	$ 123,000	$ (14,933,000)

*Included in Costs and Expenses, Depreciation and Amortization: $4,016,000 in 1981 and $4,038,000 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 2,077,000	$ 2,630,000
Accts. receiv., net	26,358,000	29,159,000
Refund. inc. taxes	1,025,000	2,455,000
*Inventories	27,553,000	34,555,000
Prepaid expenses	1,225,000	1,555,000
Current Assets	$ 58,238,000	$ 70,354,009
# Fixed assets	18,263,000	20,655,000
Deferred inc. taxes	759,000	2,113,000
Other assets	942,000	698,000
Total Assets	$ 78,202,000	$ 93,820,000

Liabilities

Notes payable & long-term debt, curr.	$ 1,146,000	$ 2,848,000
Accts. payable	6,298,000	10,328,000
Advance from customers	1,780,000	3,017,000
Accrued payroll	3,204,000	2,834,000
Accruals	2,794,000	3,356,000
Income taxes	2,285,000	278,000
Est. dispos. costs	—	2,750,000
Curr. Liabilities	$ 17,507,000	$ 25,411,000
Long-term debt	37,305,000	45,404,000
+ Common stock	258,000	254,000
Add. paid-in capital	26,082,000	25,824,000
Retained earnings (deficit)	(2,950,000)	(3,073,000)
Total Liabilities & Shareholders' Equity	$ 78,202,000	$ 93,820,000

*At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	4.53	3.64
Working Capital	$40,731,000	$44,943,000
Current Ratio	3.33	2.77
Shareholders' Equity	$23,390,000	$23,005,000

General Binding Corporation

(55.7% owned by Lane Industries, Inc.)

One GBC Plaza
Northbrook, Illinois 60062
(312) 272-3700

Officers: Warren R. Rothwell, chairman; John E. Preschlack, president & chief exec. officer; William N. Lane, III, vice chairman; Albert B. Boese, sr. v.p.-international; John V. Day, v.p.-commercial development; George M. Durkin, v.p.-domestic marketing; Joseph J. LaPorte, v.p.-corporate relations; Frank J. Lenahan, v.p. & treasurer; Victor L. Lewis, v.p. & general retary & corporate counsel.

Directors: Edward McC. Blair, John M. Kuhn, Victor L. Lewis, Arthur C. Nielsen, Jr., Warren R. Rothwell, Thomas V. Kalebic, William N. Lane, III, John E. Preschlack, Leslie R. Graham.

Areas of Work: Engaged in the design, manufacture, and distribution of a broad line of business machines and related supplies which bind, laminate, collate, fold and shred printed materials. Also manufactures and distributes photo identification systems, label printing presses and ring elements for looseleaf binders.

Divisions and Subsidiaries:

U.S. Ring Binder Corp.
New Bedford, Massachusetts

GBC Deutschland GmbH
Konigsbrunn, West, Germany

General Binding Corp. (Australia) Pty. Ltd.
Castle Hill, Australia

General Binding Corporation (Canada) Limited
Don Mills, Ontario, Canada

General Binding Company Limited (United Kingdom)
Camberley, Surrey, England

GBC France S.A.
Aulnay, France

GBC General Binding (Nederland) B.V.
Hoofddorp, The Netherlands

General Binding Corp. (Italia) S.p.A.
Tornaco, Italy

GBC Japan K.K.
Noda, Japan

GBC Mexicana S.A. de C.V.
Mexico City, Mexico

Koelling Metals, Inc.
St. Louis, Missouri

GBC (Schweiz) A.G.
Wollerau, Switzerland

GBC Business Equipment, Inc.
  Fort Lauderdale, Florida
  Webtron Presses
  Webtron GmbH
  Darmstadt, Germany

Acquisition(s):

Koelling Metals, Inc.
St. Louis, Missouri
  Manufactures custom looseleaf binder metals.

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBND (NASDAQ)

Number of Employees:

1981	2,725	1979	2,809
1980	2,764	1978	2,489

Plant Footage:

1981 . . . . . . 730,000 sq. ft.

Sales and Earnings *

	Net Sales	Net Income
1981	$ 149,620,000	$ 7,524,000
1980	139,562,000	8,255,000
1979	126,585,000	7,043,000
1978	105,416,000	5,265,000
1977	82,390,000	3,164,000

	No. of Com. Shares	Earn. per Share +
1981	4,988,576	$ 1.50
1980	5,008,645	1.65
1979	5,004,187	1.41
1978	5,004,027	1.04
1977	5.145.187	0.61

+ Based on the average number of common shares outstanding.
* Restated to reflect change in accounting method to comply with FASB statement No. 43 concerning compensated absences.

Revenues By Line of Business

	1981	1980	1979	1978
Business machines	32%	34%	32%	32%
Related supplies & other products	68	66	68	68
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.26	—	—
1980	0.21	—	—
1979	0.155	—	—
1978	0.125	—	—
1977	0.115	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 63,103,000	$ 12.65
1980	58,161,000	11.61
1979	50,923,000	10.18
1978	44,661,000	8.93
1977	40,139,000	7.80

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 149,620	$ 139,562
Cost of sales	78,635	72,521
Expenses	54,831	50,283
Interest expense	2,993	3,438
Other expense	188	602
Income before taxes	$ 12,973	$ 12,718
Income taxes	5,449	4,463
Net Income	$ 7,524	$ 8,255

* Included in Costs and Expenses, Depreciation and Amortization: $3,858,000 in 1981 and $3,588,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 1,189	$ 2,043
Receiv., net	29,860	27,835
* Inventories	35,674	33,394
Prepaid expenses	4,143	3,147
Current Assets	$ 70,866	$ 66,419
# Fixed assets	28,631	29,459
Other assets	8,582	7,277
Total Assets	$ 108,079	$ 103,155

Liabilities
(000's)

Loans payable	$ 8,613	$ 5,824
Long-term debt, curr.	472	534
Accts. payable	9,569	6,596
Accruals	4,996	4,575
Accrued payroll	3,736	3,044
Income taxes	1,882	2,537
Other taxes	1,159	946
Curr. Liabilities	$ 30,427	$ 24,056
Long-term debt	12,339	18,847
Deferred inc. taxes	2,210	2,091
+ Common stock	654	654
Add. paid-in capital	4,904	4,856
Retained earnings	60,222	54,959
Treasury stock	(2,677)	(2,308)
Total Liabilities & Shareholders' Equity	$ 108,079	$ 103,155

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

% Income bef. Taxes to Sales	8.67	9.11
% Net Income to Sales	5.03	5.91
% Net Income to Equity	11.92	14.19
Sales to Inventories	4.19	4.18
Working Capital	$40,439,000	$42,363,000
Current Ratio	2.33	2.76
Shareholders' Equity	$63,103,000	$58,161,000

General DataComm Industries, Inc.

One Kennedy Avenue
Danbury, Connecticut 06810
(203) 797-0711

Officers: Charles P. Johnson, chairman of the board & president; Frederick R. Cronin, v.p.-technology; Robert S. Smith, v.p.-corporate planning; William S. Lawrence, v.p.-finance; Hubert J. Tremblay, v.p.-North American Marketing & Sales; James R. Arcara, v.p.-administration; James J. O'Meara, v.p.-U.S. Telecomm Sales; George A. Franco, v.p.-operations; Roger P. Grant, v.p.-U.S. Business Systems Sales; Dennis J. Nesler, treasurer; Howard S. Modlin, secretary.

Directors: Charles P. Johnson, chairman; Howard S. Modlin, Frederick R. Cronin, Gerald J. Fischer, Lee M. Paschall, Paul G. Herrington, Jr., Harold M. Small.

Areas of Work: Markets data communications equipment systems and services. Products include: data couplers, time division and frequency division multiplexers, synchronous, asynchronous, rack mount, OEM modems and loop products.

Subsidiaries:

DataComm Leasing Corporation
DataComm Service Corporation
General DataComm Industries (Canada) Ltd.
General DataComm International Corporation
General DataCommunications Industries, B.V.
General DataCommunications Industries, S.A.
General DataComm Systems, Inc.
DataComm Rental Corporation
General DataComm do Brasil Industria e Commercio Ltda.
General DataComm (U.K.) Limited

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: GDC

Number of Employees:

1981	1,029	1978	552
1980	1,015	1977	396
1979	715		

Plant Footage:

1981	357,000 sq. ft.	1978	150,000
1980	150,000	1977	150,000
1979	150,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 57,598,000	$ 1,843,000
1980	53,635,000	4,411,000
1979	41,414.000	3,236,000
1978	30,997,000	2,274,000
1977	20,032,000	1,307,000

	No. of Com. Shares #	Earn. per Share #
1981	6,442,000	$ 0.29
1980	5,759,000	0.77
1979	5,257,000	0.61
1978	5,219,000	0.44
1977	5,002,000	0.26

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-2 ‡
1979	—	—	—
1978	—	—	3-for-2 +

+ In the form of a 50% stock dividend.
‡ Declared Nov., 1980.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 35,126,000	$ 5.45
1980	24,695,000	4.29
1979	12,128,000	2.31
1978	8,736,000	1.67
1977	6,406,000	1.28

+ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 57,598,000	$ 53,635,000
Minority interest	441,000	278,000
Total revenues	$ 58,039,000	$ 53,913,000
Cost of sales	38,882,000	29,792,000
Expenses	16,004,000	14,380,000
Interest expense	1,507,000	1,619,000
Other expense (income)	(155,000)	29,000
Income before taxes	$ 1,801,000	$ 8,093,000
Income taxes (credit)	(42,000)	3,682,000
Net Income	$ 1,843,000	$ 4,411,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,986,000 in 1981 and $1,532,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 321,000	$ 703,000
Accts. receiv., net	13,[illegible]52,000	15,643,000
Investments	—	373,000
Income tax refund	2,451,000	—
*Inventories	25,013,000	24,828,000
Prepaid expenses & other assets	952,000	892,000
Current Assets	$ 41,989,000	$ 42,439,000
Investment & advances	1,425,000	1,084,000
#Fixed assets	20,473,000	10,146,000
Other assets	2,068,000	646,000
Total Assets	$ 65,955,000	$ 54,315,000
Liabilities		
Cap. lease oblig. curr.	$ 1,055,000	$ 626,000
Accts. payable	6,062,000	7,572,000
Accruals	2,794,000	4,239,000
Inc. taxes payable	794,000	2,006,000
Mortgage payable	135,000	127,000
Due to leasing subsidiaries	603,000	—
Curr. Liabilities	$ 11,443,000	$ 14,570,000
Revolv. credit notes	3,700,000	8,900,000
Cap. lease oblig.	2,679,000	1,567,000
Mortgages payable	11,104,000	2,839,000
Deferred income	138,000	441,000
Deferred inc. taxes	1,765,000	1,303,000
+Common stock	672,000	402,000
Add. paid-in capital	21,889,000	13,571,000
Retained earnings	12,580,000	10,737,000
Treasury stock	(15,000)	(15,000)
Total Liabilities & Shareholders' Equity	$ 65,955,000	$ 54,315,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.13	15.09
%Net Income to Sales	3.20	8.22
%Net Income to Equity	5.25	17.86
Sales to Inventories	2.30	2.16
Working Capital	$30,546,000	$27,869,000
Current Ratio	3.67	2.91
Shareholders' Equity	$35,126,000	$24,695,000

General Dynamics Corporation

Pierre Laclede Center
St. Louis, Missouri 63105
(314) 889-8200

Officers: David S. Lewis, chairman of the board & chief executive officer; Oliver C. Boileau, president; Richard E. Adams, executive v.p.-Aerospace; Lester Crown, exec. v.p. & president-Material Service Corporation; Gordon E. MacDonald, exec. v.p.-finance; James R. Mellor, exec. v.p.-commercial systems & corporate planning; P. Takis Veliotis, exec. v.p.-Marine & international operations; Leonard F. Buchanan, v.p. & general manager-Convair; James J. Cunnane, v.p. & controller; Otto J. Glasser, v.p.-international; Ralph E. Hawes, v.p. & general manager-Pomona; Lyman C. Josephs, v.p.-productivity; Edward J. LeFevre, v.p.-government relations; Alan M. Lovelace, v.p.-science & engineering; Edward E. Lynn, v.p.-general counsel; John P. Maguire, v.p. & secretary; Herbert F. Rogers, v.p. & general manager-Fort Worth; Warren G. Sullivan, v.p.-industrial relations; Wayne Wells, v.p. & treasurer; Frederick S. Wood, v.p.-contracts & pricing.

Directors; David S. Lewis*, chairman, Richard E. Adams, Thomas G. Ayers, Oliver C. Boileau*, Henry Crown*, chairman of the executive committee, Lester Crown; Nathan Cummings*, Milton Falkoff, Albert E. Jenner, Jr.*, Earl D. Johnson, Harvey Kapnick, Edward E. Lynn, Gordon E. MacDonald*, James R. Mellor, Elliot H. Stein*, P. Takis Veliotis.

* Member of the Executive Committee.

Areas of Work: Engaged in the development of marine systems, ships, aircraft, space boosters, tactical missiles and weapons, data processing equipment and sound systems, computer output microfilm, military electronics, telephone switching systems and transmissions equipment for both voice and data communications; minerals and building materials.

Divisions:

Convair Division
5001 Kearny Villa Road
San Diego, California 92123
(714) 277-8900

Electric Boat Division
Eastern Point Road
Groton, Connecticut 06340
(203) 445-5960

Electronics Division
5011 Kearny Villa Road
San Diego, California 92123
(714) 692-6111

Fort Worth Division
North Grants Lane
Fort Worth, Texas 76108
(817) 732-4811

Pomona Division
1675 West Mission Boulevard
Pomona, California 91766
(714) 629-5111

Quincy Shipbuilding Division
97 E. Howard Street
Quincy, Massachusets 02169
(617) 471-4200

Data Systems Division
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 889-8200

Subsidiaries:

American Telecommunications Corp.
9620 Flair Dr.
El Monte, California 91731
(213) 579-1710

DatagraphiX, Inc.
10981 San Diego Mission Road
San Diego, California 92108
(714) 291-9960

Marblehead Lime Company
300 W. Washington Street
Chicago, Illinois 60606
(312) 263-4490

Material Service Corporation
300 W. Washington Street
Chicago, Illinois 60606
(312) 372-3600

Freeman United Coal Mining Company
300 W. Washington Street
Chicago, Illinois 60606
(312) 263-2800

General Dynamics Communications Company
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141
(314) 434-6900

General Dynamics Services Co.
3302 Pacific Highway
San Diego, California 92101
(714) 692-6951

Stromberg-Carlson Corporation
255 South Orange Avenue
Orlando, Florida 32802
(305) 849-3000

Transfer Agent(s):

Bradford Trust Company
Two Broadway
New York, New York 10004

General Dynamics Corporation
(common & preferred)
Pierre Laclede Center
St. Louis, Missouri 63105

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GD

General Dynamics Corporation

Number of Employees:

1981	81,000	1978	74,700
1980	82,500	1977	70,900
1979	79,300		

Sales and Earnings ‡

	Net Sales (000's)	Net Income (000's)
1981	$ 5,063,400	$ 124,100
1980	4,645,000	195,000
1979	3,912,500	185,156
1978	3,075,600	(48,088)
1977	2,762,400	103,376

	No. of Com. Shares #	Earn. per Share #
1981	54,000,000	$ 2.25
1980	53,700,000	3.58
1979	53,316,000	3.43
1978	53,534,000	—
1977	54,370,000	1.90

(Loss)
‡ Restated to reflect the Corporation's accounting for Genera Dynamics Corp. (Canada) Ltd. on the equity basis.
# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Gov't aerospace	$ 2,862,900	$ 2,517,400
Submarines	1,029,900	901,900
Commercial ships	109,800	175,500
Telecommunications	304,700	261,600
Other industries	756,100	788,600
Total	$ 5,063,400	$ 4,645,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1
1979	—	—	—
1978	—	—	2½-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$1,071,500,000	$ 19.99
1980	999,400,000	18.54
1979	826,436,000	15.54
1978	673,977,000	12.76
1977	732,854,000	13.78

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 5,063,400	$ 4,645,000
Cost of sales	4,539,000	4,039,800
Expenses	350,000	349,800
Interest expense	20,800	9,500
Other income	(42,700)	(10,900)
Income before taxes	$ 196,200	$ 256,800
Income taxes	72,100	61,800
Net Income	$ 124,100	$ 195,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $122,500,000 in 1981 and $106,900,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 13,800	$ 16,200
Accts. receiv., net	322,700	291,600
Gov't contracts in progress	605,600	600,000
Comm. programs in progress	96,100	92,000
*Inventories	233,500	241,800
Prepaid expenses	19,600	16,500
Current Assets	$ 1,291,300	$ 1,25[illegible]100
#Fixed assets	700,200	679,200
Investments in unconsol. subsid.	266,700	233,700
+ Redeem. pref. stock	68,600	71,000
Total Assets	$ 2,326,800	$ 2,242,000

Liabilities
(000's)

	1981	1980 ‡
Short-term borrowings	$ 134,000	$ 170,100
Accts. payable	316,200	306,800
Accruals	290,900	283,500
Prov. for loss	62,400	100,700
Curr. Liabilities	$ 803,500	$ 861,100
Long-term debt	26,900	29,000
Deferred inc. taxes	310,200	239,400
Other liabilities	87,600	84,300
*Redeem. pref. stock	27,100	28,800
+ Common stock	87,800	84,800
Retained earnings	1,020,000	937,200
Treasury stock	(36,300)	(22,600)
Total Liabilities & Shareholders' Equity	$ 2,326,800	$ 2,242,000

‡ Restated.
* At lower of cost (LIFO and average) or market.
# Less accumulated depreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	3.87	5.53
%Net Income to Sales	2.45	4.20
%Net Income to Equity	11.58	19.51
Sales to Inventories	21.68	19.21
Working Capital	$ 487,800,000	$ 397,000,000
Current Ratio	1.61	1.46
Shareholders' Equity	$1,071,500,000	$999,400,000

General Electric Company

Fairfield, Connecticut 06431
(203) 373-2431

Officers: John F. Welch, Jr., chairman of the board & chief executive officer; John F. Burlingame, vice chairman of the board and executive officer; Standley H. Hoch, Jacques A. Robinson, corporate exec. office v.p.'s; James A. Baker, exec. v.p. & sector exec. Technical Systems; Lawrence A. Bossidy, exec. v.p. & sector exec. - Services & Materials; Robert R. Frederick, exec. v.p. & sector exec. - International; Herman R. Hill, exec. - Power Systems; Louis V. Tomasetti, exec. v.p. & sector exec. - Industrial Products; Paul W. Van Orden, exec. v.p. & sector exec. - Consumer Products; Alexander M. Wilson, chairman of the board & chief exec. officer-Utah International, Inc.; Frank P. Doyle, sr. v.p. - corporate relations; Robert B. Kurtz, sr. v.p. - corp. productivity and quality; Walter A. Schlotterbeck, sr. v.p., general counsel & secretary; Thomas O. Thorsen, sr. v.p. - finance; Thomas R. Casey, v.p. & medical director; James J. Costello, v.p. & comptroller; James R. Donnelly, Jr., v.p. - corp. environmental issues project; Dale F. Frey, v.p. & treasurer; Fred W. Garry, v.p. - corporate engineering; Marion S. Kellogg, v.p. - corporate consulting services; Raymond F. Letts, v.p. - corp. operating services; Edward H. Malone, v.p. - trust investments; Terence E. McClary, v.p. - corp. financial administration; Phillips S. Peter, v.p. - corp. government relations; Arthur V. Puccini, v.p. - employee relations; Roland W. Schmitt, v.p. - corp. research & development; Leonard Vickers, v.p. - marketing programs & communications, Daniel Fink-sr. v.p. & corp. planning and development: Theodore P. LeVino-sr. v.p. & exec. manpower; Leonard C. Naier, Jr., sr. v.p. & corp. prod. and operating services; John B. McKitterick-v.p.-corp. Gov't. relations.

Directors: John F. Burlingame, Edward E. Hood, Jr., John F. Welch, Jr., Ralph Lazarus, Edmund W. Littlefield, Gilbert H. Scribner, Jr., Walter B. Wriston, James G. Boswell, II, Charles D. Dickey, Jr., Henry L. Hillman, Silas S. Cathcart, Henry H. Henley, Jr., Gertrude G. Michelson, Lewis T. Preston, George M. Low, Richard T. Baker, Lawrene E. Fouraker.

Areas of Work: Representative products and services within each major category: Industrial Products: appliance controls, small motors and electronic components such as capacitors and semiconductors, electrical distribution and circuit protective equipment, motors, controls and drives for general industrial use and rail transportation equipment, components for off-highway vehicles sold to industrial users, locomotives which are sold principally to domestic and foreign railroads. Power Systems: steam turbine generators, nuclear power reactors; nuclear fuel assemblies, transformers, power circuit breakers, switchgear, meters. Technical systems and Materials: jet engines for aircraft, industrial and marine applications, missile launch, guidance and re-entry systems, earth orbiting satellites, radar and sonar systems, armament systems, aerospace instruments and aircraft instrumentation and controls, engineering plastics, silicones, industrial cutting materials, laminated and insulating materials, medical and communications equipment, diagnostic imaging and patient monitoring equipment, including X-ray machines, mobile radio and data communication equipment, time sharing, computing and remote data processing services. Consumer Products and Services; air conditioners, appliance service broadcasting, clothes washers and dryers, dishwashers, lamps, personal and portable appliances, radio and television receivers, ranges, refrigerators, and audio products. General Electric Credit Corporation, a wholly-owned non-consolidated affiliate, is engaged in consumer, commercial and industrial financing and in the life insurance and fire and insurance industries. Natural Resources: through a wholly-owned affiliate. Utah International Inc., activities include the maining of steam coal and copper, ocean shipping and land development.

Divisions and Subsidiaries:

Consumer Products Sector
    Lighting Business Group
    Major Appliance Business Group
    Air Conditioning Business Division
    Housewares and Audio Business Division
    Television Division
    General Electric Credit Corporation

Industrial Products Sector
    Contractor Equipment Business Group
    Motor Business Group
    Apparatus Distribution Sales Division
    General Electric Supply Company Business Division
    Transportation Systems Business Division
    Locomotive Products Division
    Component Motor Division
    Distribution Equipment Division
    Industrial Sales Division
    Industrial Products Customer and Industry Reltions Operation

Power Systems Sector
    Nuclear Energy Business Group
    Construction and Engineering Services Group
    Turbine Business Group
    Installation and Service Engineering Business Division
    Electric Utility Sales Division
    Apparatus Service Division
    Energy Systems and Technology Division

Technical Systems Sector
    Aerospace Business Group
    Aircraft Engine Business Group
    Information and Communication Systems Group
    Medical Systems Business Division
    Advanced microelectronics operations
International Sector
    International Trading & Construction Operations
    Europe and Africa Operations
    Latin American Operations
    Far East Area Division
    Canadian General Electric Company

Utah International, Inc.
Mining Division
Mineral Development and Exploration Division
Ladd Petroleum Corporation
Australasia Division

Transfer Agent(s):

General Electric Company
Securities Transfer Operation
570 Lexington Avenue
New York, New York 10022

The First National Bank of Boston
Shareholders Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Midwest*, Pacific*, Paris, Cincinnati, Philadelphia*, Boston, London

* Unlisted trading privileges.

Ticker Symbol: GE

Number of Employees:

1981	404,000	1978	401,000
1980	402,000	1977	384,000
1979	405,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 27,240,000	$ 1,652,000
1980	24,959,000	1,514,000
1979	22,460,600	1,408,800
1978	19,653,800	1,229,700
1977	17,518,600	1,088,200

	No. of Com. Shares †	Earn. per Share †
1981	227,528,000	$ 7.26
1980	227,541,000	6.65
1979	227,173,000	6.20
1978	227,985,000	5.39
1977	227,154,000	4.79

† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.15	—	—
1980	2.95	—	—
1979	2.75	—	—
1978	2.50	—	—
1977	2.10	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 9,128,000	$ 40.12
1980	8,200,000	36.00
1979	7,362,300	32.31
1978	6,586,700	28.88
1977	5,942,900	26.05

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales & services	$ 27,240,000	$ 24,959,000
Cost of sales	18,945,000	17,751,000
Expenses	4,966,000	4,258,000
Other income	(614,000)	(564,000)
Interest expense	401,000	314,000
Depreciation, depletion & amortization	882,000	707,000
Income before taxes	$ 2,660,000	$ 2,493,000
Income taxes	962,000	958,000
Minority interest	46,000	21,000
Net Income	$ 1,652,000	$ 1,514,000

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 2,219,000	$ 1,601,000
Marketable securities	252,000	600,000
Receiv., net	4,872,000	4,339,000
*Inventories	3,461,000	3,343,000
Current Assets	$ 10,804,000	$ 9,883,000
Investments	1,907,000	1,820,000
#Fixed assets	6,844,000	5,780,000
Other assets	1,387,000	1,028,000
Total Assets	$ 20,942,000	$ 18,511,000

Liabilities
(000's)

Notes payable	$ 1,171,000	$ 1,093,000
Accts. payable	2,012,000	1,671,000
Accruals	2,097,000	1,946,000
Prog. collection	2,519,000	2,084,000
Dividends payable	182,000	170,000
Accrued taxes	753,000	628,000
Curr. Liabilities	$ 8,734,000	$ 7,592,000
Long-term debt	1,059,000	1,000,000
Other liabilities	1,855,000	1,565,000
Minority interest	166,000	154,000
+Common stock	579,000	579,000
Add. paid-in capital	657,000	659,000
Retained earnings	8,088,000	7,151,000
Treasury stock	(196,000)	(189,000)
Total Liabilities & Shareholders' Equity	$ 20,942,000	$ 18,511,000

* All inventories at LIFO in U.S., FIFO outside U.S.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.77	9.99
%Net Income to Sales	6.06	6.07
%Net Income to Equity	18.10	18.46
Sales to Inventories	7.87	—
Working Capital	$2,070,000,000	$2,291,000,000
Current Ratio	1.24	1.30
Shareholders' Equity	$9,128,000,000	8,200,000,000

General Instrument Corporation

Executive Offices:

1775 Broadway
New York, New York 10019
(212) 974-8700

General Offices:

225 Allwood Road
Clifton, New Jersey 07012
(201) 770-3000

Officers: Frank G. Hickey, chairman and chief executive; John A. DeVries, sr. v.p.-data systems and services; Rein Narma, sr. v.p.-components; Edgar A. Sack, sr. v.p.-microelectronics; Frederick Shuh, sr. v.p.-broad-band communications: Frank F. Cleminshaw, v.p. and treasurer; Robert E. Davis, v.p.-human resources; Richard H. Fuller, v.p.-digital communications systems; Paul N. Meyer, v.p.-finance and chief financial officer; Lewis Solomon, v.p.-new ventures; Frank L. Sterling, v.p.-strategic planning; Cornelius F. Sullivan, v.p., secretary, and controller.

Directors: Martin C. Barell, Carl P. Clare*, Monte Cohen*, Henry Hirch*, Thomas L. Kempner, Moses Shapiro*, J.B. Cordell, J.E. Goldman, R.S. Rosenbloom, R.N. Rosett, A.M. Stone, Frank G. Hickey*, Joe B. Cordell, Jacob E. Goldman, Moses Schapiro*.

* Member of Executive Committee.

Areas of Work: Major business segments are data products, cable TV products, semiconductor products, and components products. Data products are computerized systems for legalized wagering, department store point-of-sale, and payment processing. Cable TV offers a variety of products and services for the cable television industry including active and passive electronics, construction and "turnkey" design and subscriber terminals, and industrial broadband communications, digital converters, and devices to increase channel capacity. Semiconductor products consist of discrete devices and integrated circuits, including large scale integrated circuits and systems and hybrid assemblies, read only memories, and speech processors. Component products include consumer and industrial electromechanical products such as TV and automotive radio tuners, radio products, mechanical, electro-optical, LED, and solid state subsystems.

Divisions and Subsidiaries:

Component Products

Clare Division
Chicago, Illinois (Headqarters)
Guadalajara, Mexico
Toronto, Ontario, Canada
Tongeren, Belgium
Cambrai, France

Lamp Division
Chicago, Illinois (Headquartes)
Bury St. Edmunds, England
Chesham, England

Computer Products Division
El Paso, Texas (Headquarters)
Post Falls, Idaho
Juarez, Mexico
Guadalajara, Mexico
Tongeren, Belgium
Taipei, Taiwan

Broadband Communications

Jerrold Division
Hatboro, Pennsylvania (Headquarters)
Nogales, Mexico
Tucson, Arizona
Brussels, Belgium
Taipei, Taiwan

Jerrold Division/Canada
Toronto, Ontario, Canada

TACO Division
Sherburne, New York

Delhi Division
Delhi, Ontario, Canada

Sickles Business Section
El Paso, Texas (Headquarters)
Taipei, Taiwan

Data System

AmTote Division
Towson, Maryland

AmTote Systems Division
Hunt Valley, Maryland

Business Systems Division
Hunt Valley, Maryland

Government Systems Division
Hicksville, New York

Semiconductor Products

Microelectronics Division/U.S. & Far East
Hicksville, New York (Headquarters)
Chandler, Arizona
Kaohsiung, Taiwan

Microelectronics Division/Europe
Glenrothes, Scotland, U.K.

Discrete Semiconductor Division
Hicksville, New York (Headquarters)
Taipei, Taiwan

Optoelectronics Division
Palo Alto, California (Headquarters)
Kuala Lumpur, Malaysia

General Instrument Corporation

Transfer Agent(s):

Bankers Trust Company
2 Broadway
New York, New York 10004

Stock Exchange(s): New York, Boston, Midwest, Pacific, Phila-Balt-Wash. Detroit.

Ticker Symbol: GRL

Number of Employees:

1981	30,000	1978	24,200
1980	30,000	1977	24,800
1979	24,000		

Sales and Earnings

	Revenues (000's)	Net Income ‡ (000's)
1981	$ 825,074	$ 68,124
1980	718,104	51,130
1979	550,648	34,086
1978	502,848	24,316
1977	466,073	16,530

	No. of Com. Shares	Earn. per Share ‡ #
1981	8,926,000	$ 7.46
1980	8,399,000	5.90
1979	7,710,000	4.22
1978	7,515,000	3.03
1977	7,479,000	2.00

‡ Including extraordinary gain of $6,010,000 ($0.93 per share) in 1976.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Broadband Comm.	$ 301,332	$ 193,149
Data Systems	134,634	150,077
Semiconductor Products	244,008	202,610
Component Products	145,100	172,268
Total	$ 825,074	$ 718,104

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.95	—	—
1980	0.75	—	—
1979	0.55	—	—
1978	0.30	2%	—
1977	—	2%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 422,378,570	$ 42.35
1980	296,258,421	32.71
1979	217,631,982	27.83
1978	184,728,809	24.47
1977	163,656,180	22.28

‡ After allowing for preferred stock at a liquidation preference value of $25 per share.

Income Account *

Year ended	2/28/81	2/29/80
Revenues	$ 825,073,873	$ 718,103,819
Cost of sales & services	637,536,775	556,999,507
Expenses	72,341,640	64,695,497
Interest income	(6,528,952)	(1,921,459)
Income bef. Taxes	$ 121,724,410	$ 98,330,274
Income taxes	53,600,000	47,200,000
Net Income	$ 68,124,410	$ 51,130,274

Included in Costs and Expenses, Depreciation and Amortization: $33,895,134 in 1981 and $32,364,073 in 1980.

Assets

As of	2/28/81	2/29/80
Cash & temp. invest.	$ 129,595,835	$ 38,932,974
Accts. receiv., net	142,636,572	120,371,418
*Inventories	130,891,580	133,237,241
Deferred inc. taxes	11,121,000	11,034,000
Prepaid expenses	7,048,208	6,165,969
Current Assets	$ 421,293,195	$ 309,741,602
Investments, advances & receivables	1,690,204	8,020,391
#Fixed assets	205,862,085	178,751,520
Other assets	2,156,621	2,009,854
Intangibles	14,396,404	14,506,789
Total Assets	$ 645,398,509	$ 513.030,156

Liabilities

Accounts payable	$ 61,147,016	$ 59,265,372
Long-term debt, curr.	2,268,561	2,359,644
Accruals	63,312,112	57,888,822
Income taxes	25,319,987	27,319,423
Curr. Liabilities	$ 152,047,676	$ 146,833,261
Long-term debt	44,729,277	49,160,293
Deferred items	26,242,986	20,778,181
+Preferred stock	12,109,075	13,006,075
+ +Common stock	9,688,728	8,658,665
Add. paid-in capital	170,832,763	98,013,585
Common stock purchases	(4,692,845)	—
Retained earnings	234,440,849	176,580,095
Total Liabilities & Shareholers' Equity	$ 645,398,509	$ 513,030,156

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $25 stated value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	14.75	13.69
%Net Income to Revenues	8.26	7.12
%Net Income to Equity	16.13	17.26
Working Capital	$269,245,519	$162,908,341
Current Ratio	2.77	2.11
Shareholders' Equity	$422,378,570	$296,258,421

General Kinetics Incorporated

12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Officers: Robert P. Gutterman, chairman of the board; Louis R. Schap, president & chief exec. officer; Stanley J. Sarnowski, v.p.-finance & treasurer; Donald B. Keyser, v.p.; Ann K. Pugh, secretary.

Directors: Robert P. Gutterman, Robert C. Bartlett, David L. Cohn, Stanley J. Sarnowski, Louis R. Schap, Sven G. Stackig, Stephen P. Goldman, A. Hugh Wagner.

Areas of Work: Manufactures, sells and rents magnetic tape equipment; also manufactures electronic enclosures, sheet metal components, and food testing and processing systems.

Divisions:

GKI Media Division
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Allo Metal Products Division
668 North Sheridan Street
Johnstown, Pennsylvania 15906
(814) 536-3585

110 Sunray Drive
Johnstown, Pennsylvania 15906
(814) 536-3585

Numerifab Division
11205 Satellite Boulevard
Orlando, Florida 32809

Subsidiaries:

Food Technology Corporation
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Manufactures testing, quality-control and automated processing equipment for the food and related industries.

Transfer Agent(s):

Maryland National Bank
P.O. Box 987
225 North Calvert Street
Baltimore, Maryland 21202

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	156	1978	75
1980	99	1977	98
1979	80		

Plant Footage:

1981	100,000 sq. ft.	1978	72,300
1980	100,000	1977	72,300
1979	72,300		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 3,844,314	$ (4,626)
1980	2,820,997	68,550
1979	3,027,490	182,805
1978	2,740,609	257,492
1977	3,002,634	590,223

	No. of Com. Shares	Earn. per Share ‡#
1981	830,241	$ —
1980	822,533	0.08
1979	847,876	0.23
1978	803,777	0.34
1977	733,777	0.80

‡ Including extraordinary gains of $17,800 ($0.02 per share) in 1978, $280,300 ($0.38 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,611,408	$ 1.94
1980	1,649,262	2.01
1979	1,612,051	1.90
1978	1,444,616	1.80
1977	1,169,624	1.59

Income Account *

Year ended May 1	1981	1980
Net sales	$ 3,844,314	$ 2,820,997
Cost of sales	2,678,852	2,019,721
Expenses	1,015,644	741,848
Interest expense	89,717	42,834
Other income	(40,140)	(65,747)
Income (loss) before taxes	$ (174,837)	$ 82,341
Income taxes (credit)	(170,211)	13,791
Net Income (Loss)	$ (4,626)	$ 68,550

* Included in Costs and Expenses, Depreciation and Amortization: $215,732 in 1981 and $88,529 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 111,785	$ 343,588
Accts. receiv., trade	381,308	368,449

Federal & state taxes	183,057	—
*Inventories	1,157,713	1,239,344
Accts. receiv.-other	39,067	23,558
Prepaid expenses	23,076	8,381
Current Assets	$ 1,896,006	$ 1,983,320
#Fixed Assets	1,406,326	566,868
Deposits	10,222	2,373
Cash value of life ins.	43,204	38,584
Total Assets	$ 3,355,758	$ 2,591,145
Liabilities		
Notes payable	$ 183,344	$ 202,213
Accts. payable	336,323	213,591
Accruals	143,949	115,385
Accrued payroll	70,217	46,418
Accrued taxes	45,273	30,996
Curr. Liabilities	$ 779,106	$ 608,603
Notes payable	965,244	333,280
+Common stock	236,311	222,561
Add. paid-in capital	1,181,992	1,181,992
Retained earnings	353,962	358,588
Treasury stock	(160,857)	(113,879)
Total Liabilities & Shareholders' Equity	$ 3,355,758	$ 2,591,145

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.92
%Net Income to Sales	—	2.43
%Net Income to Equity	—	4.16
Sales to Inventories	3.32	2.28
Working Capital	$1,116,900	$1,374,717
Current Ratio	10.34	3.26
Shareholders' Equity	$1,611,408	$1,649,262

General Microwave Corporation

155 Marine Street
Farmingdale, New York 11735
(516) 694-3600

Officers: Sherman A. Rinkel, president; Bernard Grand, v.p.-engineering; Leonard Trugman, v.p.-manufacturing; Samuel Hopfer, vice president-research & development; Moe Wind, v.p.-sales, treasurer & asst. secretary; Michael Stolzar, secretary & asst. treasurer.

Directors: Frederick Zissu, chairman; Allan Bernstein, Winton Charlop, Samuel Hopfer, Sherman A. Rinkel, Moe Wind.

Areas of Work: Manufactures a variety of microwave devices including ultra-broadband radiation hazards monitors, PIN switch/attenuator/modulators, power meters, and digital voltmeters and data convertors.

Divisions:

Gralex Division
Farmingdale, New York
Engaged in the manufacture of a variety of electronic equipment including digital panel meters.

Microwave Division
Farmingdale, New York
Develops and manufactures PIN diode products, RF power measuring equipment, and radiation detectors.

Subsidiaries:

General Microwave Export Corporation (DISC)
155 Marine Street
Farmingdale, New York 11735
(516) 694-3600

Transfer Agent(s):

Continental Stock Transfer and Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GMIC (NASDAQ)

Number of Employees:

1981	150	1978	135
1980	150	1977	135
1979	140		

Plant Footage:

1981	37,000 sq.ft.	1978	27,000
1980	37,000	1977	27,000
1979	27,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 8,701,486	$ 481,817
1981	7,552,908	183,727
1980	5,790,283	225,198
1979	5,158,979	166,797
1978	4,548,397	283,525

	No. of Com. Shares ‡	Earn. per Share ‡
1982	888,417	$ 0.54
1981	882,455	0.21
1980	868,748	0.26
1979	871,820	0.19
1978	886,001	0.32

‡ Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.08	—	—
1981	0.08	—	—
1980	0.08	—	—
1979	0.075	—	—
1978	0.065	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 3,221,318	$ 3.64
1981	2,797,668	3.18
1980	2,669,102	3.06
1979	2,508,026	2.89
1978	2,428,841	2.76

Income Account *

Year ended Feb. 28	1982	1981
Net sales	$ 8,701,486	$ 7,552,908
Cost of sales	5,710,261	5,304,519
Expenses	2,041,790	1,845,718
Other income	(17,199)	(32,992)
Interest expense	190,503	143,936
Income before taxes	$ 776,131	$ 291,727
Income taxes	294,314	108,000
Net Income	$ 481,817	$ 183,727

* Included in Costs and Expenses, Depreciation and Amortization: $209,309 in 1982 and $182,420 in 1981.

Assets

As of Feb. 28	1982	1981
Cash	$ 126,454	$ 62,253
Marketable securities	105,666	4,870
Accts. receiv., net	1,853,660	1,579,005
* Inventories	2,423,470	2,264,889
Prepaid expenses	11,249	27,416
Current Assets	$ 4,520,499	$ 3,938,433
# Fixed assets	897,972	763,257
Other assets	69,595	83,475
Total Assets	$ 5,488,066	$ 4,785,165
Liabilities		
Notes payable	$ 1,000,000	$ 1,000,000
Long-term debt, curr.	10,391	11,570
Accts. payable	492,517	460,308
Accruals	530,613	378,094
Income taxes	144,294	6,917
Dividend payable	—	35,180
Curr. Liabilities	$ 2,177,815	$ 1,892,069
Long-term debt	23,473	34,708
Deferred credits	65,460	60,720
+Capital stock	9,728	9,665
Add. paid-in capital	748,409	735,772
Retained earnings	2,646,260	2,235,310
Treasury stock	(183,079)	(183,079)
Total Liabilities & Shareholders' Equity	$ 5,488,066	$ 4,785,165

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.92	3.86
%Net Income to Sales	5.54	2.43
%Net Income to Equity	14.96	6.57
Sales to Inventories	3.59	3.33
Working Capital	$2,342,684	$2,046,364
Current Ratio	2.08	2.08
Shareholders' Equity	$3,221,318	$2,797,668

General Motors Corporation

3044 West Grand Boulevard
Detroit, Michigan 48202
(313) 556-5000

General Motors Building
767 Fifth Avenue
New York, New York 10153
(212) 486-5000

Officers: Roger B. Smith, chairman of the board and chief executive officer; F. James McDonald, president and chief operating officer; Howard H. Kehrl, vice chairman; Reuben R. Jensen, F. Alan Smith, executive vice presidents; vice presidents and group executives: Donald J. Atwood-Truck and Bus Group, David C. Collier-Operating Staffs Group, Alexander A. Cunningham-Body and Assembly Group, Edward P. Czapor-Electrical Components Group, Alex C. Mair, Technical Staffs Group, Donald H. McPherson-North American Car Group; Paul D. Pender-Mechanical Components Group, David S. Potter-Public Affairs Staffs Group, James F. Waters, Jr.-Overseas Group; vice presidents: Betsy Ancker-Johnson-environmental activities staff, John F. Beck-North American Vehicles Overseas, Ferdinand P.J. Beickler-managing director-Adam Opel AG, Robert D. Burger-asst. gen. mgr.-Cadillac Motor Car Division, Charles S. Chapman-managing director-General Motors-Holden's Limited, Patrick J. Coletta, gen. mgr.-GM Assembly Division, Robert J. Cook-gen. mgr.-Oldsmobile Division, Robert W. Decker-quality and reliability, John R. Edman-financial staff, Robert A. Frosch-research laboratories, Donald E. Hackworth-president & gen. mgr.-General Motors of Canada Limited, Peter K. Hoglund-gen. mgr.-Pontiac Motor Division, Charles Katko-gen. mgr.-Fisher Body Division, Edward C. Kennard-gen. mgr.-Cadillac Motor Car Division, Robert D. Lund-sales and marketing staff, William P. MacKinnon-personnel administration and development staff, Robert F. Magill-industry-government relations staff, Thomas O. Mathues-manufacturing staff, John P. McCormack-joint ventures and African operations, John W. McNulty-public relations staff, John Quick-special overseas projects and studies; Lloyd E. Reuss-gen. mgr.-Buick Motor Division, Irvin W. Rybicki-design staff, Joseph J. Sanchez-managing director-General Motors do Brasil S.A., Harold L. Smith-gen. mgr.-Detroit Diesel Allison Division, Otis M. Smith-general counsel, Robert C. Stempel-gen. mgr.-Chevrolet Motor Division, Robert B. Stone-materials management staff, Robert W. Truxell-gen. mgr.-GMC Truck & Coach Division, James G. Vorhes-consumer relations and service staff, Alfred S. Warren, Jr.-industrial relations staff, Marina v.N. Whitman-chief economist, Frank J. Winchell-engineering staff; Courtney F. Jones, treasurer; Robert T. O'Connell, comptroller; Carol M. Conklin, secretary.

Directors: Anne L. Armstrong, Catherine B. Cleary, John T. Connor, John D. deButts, James H. Evans, Walter A. Fallon, Charles T. Fisher, III, Marvin L. Goldberger, Robert S. Hatfield, Raymond H. Herzog, John J. Horan, Reuben R. Jensen, Howard H. Kehrl, F. James McDonald, W. Earle McLaughlin, Thomas A. Murphy, Elmore C. Patterson, Edmund T. Pratt, Jr., George P. Shultz, F. Alan Smith, J. Stanford Smith, Roger B. Smith, Leon H. Sullivan, Charles H. Townes.

General Motors Corporation

Areas of Work: Engaged primarily in the manufacture, assembly and distribution of motor driven products, most of which relate to transportation equipment, which are classified as automotive, nonautomotive and defense and space.

Electronic and Related Divisions:

Automotive Components Division
AC Spark Plug Division
Flint, Michigan

Spark plugs; oil filters; instrument panels; fuel pumps; fuel filters; air cleaners; emission control systems; cruise control systems.

Delco Electronics Division
Kokomo, Indiana

Auto radios, tape players; heater-air conditioning controls; military electronics; semiconductor devices; analog and digital systems; integrated circuits; inertial navigation and control systems and components.

Delco Moraine Division
Dayton, Ohio

Automotive brake systems; engine bearings; powered metal products; automatic transmission components.

Delco Remy Division
Anderson, Indiana

Starting, generating and ignition systems switches; vacuum controls; batteries for passenger cars, trucks, buses, farm tractors and off-highway equipment.

Guide Division
Anderson, Indiana

Car, truck and tractor lamps; mirrors; finished die castings; molded plastic parts; lighting controls; stampings.

Harrison Radiator Division
Lockport, New York

Car and truck radiators, defrosters, heaters, thermostats and air-conditioners; heat exchangers.

Packard Electric Division
Warren, Ohio

Automotive, appliance, marine and farm equipment, wiring systems and components; fiber optics; magnet wire.

Rochester Products Division
Rochester, New York

Carburetors; steel tubing; cigarette lighters; locks; keys; emission control devices; diverter valves; fuel injectors; hydraulic and mechanical valve lifters; jet fuel nozzles; cold formed precision parts.

Delco Products Division
Dayton, Ohio

Shock absorbers; windshield wiper systems; energy-absorbing bumper devices; automotive electric motors and actuators; fan clutches; emission control devices; industrial and heremetic motors and generators.

Stock Transfer Offices:

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

National Trust Company Limited
21 King Street, E.
Toronto, Ontario, M5C 1B3 Canada

National Trust Company Limited
1350 Sherbrooke Street, W.
Montreal, Quebec, H3G 1J1 Canada

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Phila-Balt-Wash, Pacific, Montreal, Toronto

Ticker Symbol: GM

Number of Employees:

1981	741,000	1978	839,000
1980	746,000	1977	797,000
1979	853,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 62,698,500	$ 333,400
1980	57,728,500	(762,500)
1979	66,311,200	2,892,700
1978	63,221,100	3,508,000
1977	54,961,300	3,337,500

	No. of Com. Shares	Earn. per Share ‡
1981	304,804,228	$ 1.07
1980	298,053,782	—
1979	292,472,499	10.04
1978	288,069,840	12.24
1977	287,704,811	11.62

(Loss)
‡ Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
United States operations	$ 52,753,500	$ 46,924,500
Canadian operations	8,846,400	8,094,700
Overseas operations	11,870,500	12,111,100
Elimination of interarea sales	(10,771,900)	(9,401,800)
Automotive products	$ 58,384,600	$ 53,173,000
Nonautomotive prod.	4,313,900	4,555,500
Total	$ 62,698,500	$ 57,728,500

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.40	—	—
1980	2.95	—	—
1979	5.30	—	—
1978	6.00	—	—
1977	6.80	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 17,437,500	$ 57.21
1980	17,531,000	58.81
1979	18,895,700	64.61
1978	17,286,300	60.01
1977	15,483,300	53.82

‡ After allowing for preferred stock at stated value.

Income Account
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 62,698,500	$ 57,728,500
Cost of sales	55,185,200	52,099,800
Expenses	2,175,000	2,636,700
Depreciation & amortization	4,406,200	4,177,700
Other income	(367,700)	(348,700)
Interest expense	897,900	531,900
Loss before taxes	$ (138,100)	$ (1,368,900)
Income tax credit	(123,100)	(385,300)
Minority interest	(348,400)	(221,100)
Net Income (Loss)	$ 333,400	$ (762,500)

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 204,100	$ 157,200
Securities & deposits	1,116,600	3,558,000
Accts. & notes receiv. net	3,645,500	3,768,400
*Inventories	7,222,700	7,295,000
Prepaid expenses	1,527,200	706,500
Current Assets	$ 13,716,100	$ 15,485,100
Investments & other assets	5,162,900	4,047,100
Stock held for incentive	71,500	125,800
#Fixed assets	18,494,100	14,049,400
‡Other assets	1,546,600	937,400
Total Assets	$ 38,991,200	$ 34,581,000

Liabilities
(000's)

Accts., drafts and losses payable	$ 3,699,700	$ 3,967,700
Accruals	7,127,600	6,628,800
Income taxes	1,727,800	1,676,500
Curr. Liabilities	$ 12,555,100	$ 12,273,000
Long-term debt	3,801,100	1,886,000
Capitalized leases	242,800	172,300
Other liabilities	3,215,100	1,482,500
Deferred credits	1,456,000	952,600
+ Preferred stock	283,600	283,600
+ + Common stock	508,000	496,700
Add. paid-in capital	1,589,500	1,297,200
Retained earnings	15,340,000	15,737,100
Total Liabilities & Shareholders' Equity	$ 38,991,200	$ 34,581,000

* At lower of cost (domestic inventories at LIFO; foreign at FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ No par value, $100 stated value.
+ + $1⅔ par value.

Statistical Summary

%Net Income to Sales	0.53	—
%Net Income to Equity	1.88	—
Sales to Inventories	8.68	7.91
Working Capital	$ 1,161,000,000	$ 3,212,100,000
Current Ratio	1.09	1.26
Shareholders' Equity	$17,721,100,000	$17,814,600,000

General Signal Corporation

High Ridge Park
Stamford, Connecticut 06904
(203) 357-8800

Officers: Nathan R. Owen, chairman & chief executive officer; David T. Kimball, president & chief operating officer; Edward W. Franklin, senior vice president; Edward C. Prellwitz, vice president-finance; William J. Ball, vice president & group executive; Albert W. Buesking, vice president & controller; Paul Gibian, vice president & group executive; J. Robert Hipps, vice president & treasurer; Glen E. Ronk, vice president and group executive; John T. Rossello, vice president-human resources; Edgar J. Smith, Jr., vice president & general counsel; Richard H. Canale, secretary.

Directors: Nathan R. Owen*, F. Arnold Daum*, Edward W. Franklin*, John P. Horgan, Fred H. Gordon, Jr., Reginald H. Jones, Harold J. Hudson, Jr., Samuel A. Casey, David T. Kimball*, David J. Dunn.

*Member of the Executive Committee.

Energy Distribution and Control Group:

Designs, manufactures and sells a diversified range of equipment employed in the distribution, control and use of energy in electric form, as well as systems and controls for life safety and property protection.

Products include electronic instrumentation, recorders and controllers, digital computer directed and other process control systems; electric meter mountings and service entrance equipment, electrical insulating and protective materials; rigid coaxial cable, wave guides, antennas and dehydrators for high power broadcast stations, microwave links and radar installations; pole type and pad-mount distribution transformers, transformer repair service for power companies; temperature controllers and modular solid state communication control equipment; power and control transformers, and large power-supplies; electric heat-treating furnaces and ovens, vacuum and gas process equipment, metal melting equipment, laboratory furnaces and ovens, explosion-proof distribution and control equipment, switchgear, high-voltage motor starters and control centers, powerhouses, and marine electrical equipment; electrical fittings, wall plates, switches, receptacles, other wiring devices; constant voltage transformers, line voltage regulators, regulated electro-magnetic and electronic power supplies and electronic controls; continuous conveyor and diffusion furnaces; scribers, bonders, and other microelectronics production equipment; solid state float rectifiers, converters, inverters, ringing and tone generators for the telecommunications industry; fluorescent, incandescent and high intensity discharge lighting fixtures; systems and devices to monitor and detect such conditions as smoke, fire and unauthorized intrusion, as well as hospital communications systems, automatic personnel time recording and parking lot control systems.

Environmental and Fluid Process Controls Group:

Sells controls, systems and other specialized equipment primarily to water and wastewater treatment and industrial process markets. Products include instrumentation and controls; telemetering and supervisory control systems; primary flow elements; chemical feeders and weighers; metering pumps; valves and actuators; sludge treatment systems; wet waste disintegrators; effluent samplers; diatomite filters; mechanical mixers, aerators, flocculators; biological waste treatment systems; centrifugal, wastewater, regenerative turbine, vertical turbine and high-vacuum pumps and pump systems; specialty air pollution control equipment; consistency transmitters and mass rate meters; pressure and vacuum gauges, thermometers and needle valves; chemical additives; and corrosion control materials.

Transportation Controls Group:

Specializes in controls and equipment for rail mass transit systems and mainline railroads, airports and air traffic systems, and off-the-road mobile equipment as well as cold-forged components for automobiles and trucks. Products of the transportation controls group include cab, wayside and centralized traffic control components and systems, pushbutton interlocking controls, operating display subsystems, signaling and protective appliances, radio remote controls; pneumatic, electro-pneumatic and electro-pneumatic/hydraulic braking systems and components, propulsion/braking controls systems, transit car couplers, railway car undercarriages; radar navigation, detection and identification subsystems, aircraft navigational aids, ground weather monitoring systems and microwave telephone repeater stations; interior shipboard communicationsystems and propulsion controls. The group also produces high pressure devices which are used to transfer and control energy by hydraulic means including hydrostatic transmissions, steering, load sensing and other hydraulic systems, high pressure hydraulic gear pumps and motors, piston pumps and motors, directional control valves and servo controls, and cold-forged steel steering, suspension and other vehicle components.

Consumer Products Group:

Manufactures and markets a variety of electric motor-driven household appliances, primarily for floor care, as well as small electric motors for small appliances and for the power tool, marine, automotive and garden equipment markets.

Divisions and Subsidiaries:

Axel Electronics
Jamaica, New York

Cardion Electronics
Woodbury, New York

Cincinnati Time Recorder
Cincinnati, Ohio

General Railway Signal
Rochester, New York

Henschel
Amesbury, Massachusetts

Edwards
Farmington, Connecticut

Ceilcote Company
Berea, Ohio

O— Z/Gedney
Terryville, Connecticut

Regina
Rahway, New Jersey

Kinney Vacuum
Canton, Massachusetts

DeZurik
Sartell, Minnesota

Marsh Instrument
Skokie, Illinois

Mixing Equipment
Rochester, New York

Metal Forge
Columbus, Ohio

GSE/Voorlas
Carlisle, Pennsylvania

Perolin
Wilton, Connecticut

New York Air Brake, Stratopower
Watertown, New York

Kayex
Rochester, New York

Stock Equipment
Cleveland, Ohio

Telecommunications Technology
Sunnyvale, California

Aurora Pump
North Aurora, Illinois

BIF
West Warwick, Rhode Island

Hydreco
Kalamazoo, Michigan

Dynapower
Watertown, New York

General Signal Appliances
Welland, Ontario, Canada

Anchor/Guth
Manchester, New Hampshire

Bishop Electric
Cedar Grove, New Jersey

Dowzer Electric
Mt. Vernon, Illinois

Hevi-Duty Electric
Goldsboro, North Carolina

Lindberg
Chicago, Illinois

Nelson Electric
Tulsa, Oklahoma

Industrias Sola Basic
Mexico City, Mexico

Sola Electric
Elk Grove Village, Illinois

Tempress
Los Gatos, California

Leeds & Northrup
North Wales, Pennsylvania

Warren/Dielectric Communications
Livingston, New Jersey

Xynetics
Santa Clara, California

Transfer Agent(s):

Marine Midland Bank, N.A.
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: GSX

Sales and Earnings ‡

	Net Sales (000's)	Net Income (000's)
1981	$ 1,702,455	$ 117,132
1980	1,521,744	104,214
1979	1,383,073	87,801
1978	1,053,729	61,890
1977	892,222	49,013

	No. of Com. Shares #	Earn. per Share #
1981	27,694,000	$ 4.23
1980	26.009,000	4.01
1979	24,937,000	3.52
1978	21,936,000	2.82
1977	20,850,000	2.35

‡ Restated to include operations of companies acquired on a pooling of interests basis.

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business
(000's)

	1981	1980
Environmental & industrial process controls	$ 483,600	$ 429,100
Transportation controls	306,700	307,000
Energy distribution & control	829,100	718,200
Home appliances	83,100	67,400
Total	$ 1,702,500	$ 1,521,700

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$1.48	—	—
1980	1.28	—	—
1979	1.00	—	—
1978	0.85	—	—
1977	0.60	100%	—

‡ Adjusted to reflect stock dividend.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 753,152,000	$ 27.17
1980	661,731,000	24.78
1979	576,021,000	22.94
1978	507,012,000	20.54
1977	355,677,000	17.05

‡ Restated to include operations of companies acquired on a pooling of interest basis.

† Adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,702,455	$ 1,521,744
Cost of sales & expenses	1,159,716	1,042,003
Expenses	319,548	282,146
Interest expense	15,605	14,697
Income before taxes	$ 218,853	$ 193,174
Income taxes	101,721	88,960
Net Income	$ 117,132	$ 104,214

* Included in Costs and Expenses, Depreciation and Amortization: $31,019,000 in 1981 and $30,558,000 in 1980.

Assets
(000's)

As of Dec. 31		1981		1980
Cash & cert. of deposit	$	42,156	$	35,996
Short-term invest.		51,820		49,200
Accts. receiv., net		311,804		290,086
Contracts in progress		39,752		33,556
*Inventories		385,384		367,358
Prepaid expenses		4,257		5,052
Current Assets	$	835,173	$	781,248
#Fixed assets		275,660		249,985
Intangibles		86,938		84,758
Other assets		25,069		20,286
Total Assets	$	1,222,840	$	1,136,277

Liabilities
(000's)

Short-term borrowing	$	28,667	$	42,972
Note payable		—		32,905
Accts. payable		123,518		106,380
Accruals		111,401		106,528
Income taxes		82,206		64,899
Curr. Liabilities	$	345,792	$	353,684
Long-term debt		83,849		79,367
Other liabilities		31,633		32,083
Deferred income taxes		8,414		9,412
+Common stock		38,875		37,856
Add. paid-in capital		188,875		184,331
Retained earnings		526,197		439,800
Treasury stock		(351)		(256)
Total Liabilities & Shareholders' Equity	$	1,222,840	$	1,136,277

* At lower of cost (LIFO or standard costs that approximate average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.86	12.69
%Net Income to Sales	6.88	6.85
%Net Income to Equity	15.55	15.75
Sales to Inventories	4.42	4.14
Working Capital	$489,381,000	$427,564,000
Current Ratio	2.42	2.21
Shareholders' Equity	$753,152,000	$661,731,000

General Telephone & Electronics Corporation

One Stamford Forum
Stamford, Connecticut 06904
(203) 357-2000

Officers: Theodore F. Brophy, chairman of the board & chief executive officer; Thomas A. Vanderslice, president & chief operating officer; William H. Harrison, exec. v.p.-finance; James L. Johnson, president-Telephone Operating Group; Bruce Carswell, sr. v.p.-human resources; George E. Shertzer, sr. v.p. & general counsel; John A. Whittaker, v.p.-government affairs; C. Sumpter Logan, v.p.-corporate communications; William F. Rueger, v.p.-corporate development; Claude A. Burleson, v.p.-taxes; James M. Dunn, Jr., v.p. & treasurer; Timothy P. Murphy, v.p. & controller; Joel P. Mellis, corporate secretary; C. Russell Campbell, Jr., asst. v.p.-legislative affairs; James Murphy, asst.v.p.-treasury; Nick P. Nicholas, asst. treasurer financial services; Lyle E. Orstad, asst. v.p.-financial planning; Paul W. Schlake, asst. controller-auditing; Edward A. Fanelli, asst. secretary; Gary J. Lucken, asst. v.p.-investor relations; Thomas J. Devine, asst. controller-accounting.

Directors: Marin A. Asaas, James R. Barker, Howard W. Blauvelt, Theodore F. Brophy, Nelson J. Darling, Jr., James W. Button, John T. Dunlop, Maurice F. Granville,T. Justin Moore, Jr., Sandra O. Moose, Gordon T. Wallis, Richard W. Jones, John H. Pages, Thomas A. Vanderslice, James W. Walter.

Areas of Work: The Corporation's domestic telephone subsidiaries comprise the largest independent (non-Bell) telephone system in the United States. The international subsidiaries provide telephone service primarily in the provinces of Quebec and British Columbia, Canada and in the Dominican Republic. GTE Directories Corporation sells Yellow Pages advertising and publishes more than 900 telephone directories for GTE companies. In addition to the telephone services the company manufactures highly complex voice and data communications services for industry and defense, such as electronic mail, secure communication systems, and credit-authorization terminals. The company's electrical products include photo-flash lamps, incandescent, fluorescent, sodium, halogen and halide lamps under the Sylvania name. Other products include metallurgical products, and fiber optics.

Divisions and Subsidiaries:

GTE Telephone Operating Group

General Telephone Company of California
Santa Monica, California

Hawaiian Telephone Company
Honolulu, Hawaii

General Telephone Company of Illinois
Bloomington, Illinois

General Telephone Company of Indiana, Inc.
Fort Wayne, Indiana

General Telephone Company of Michigan
Muskegon, Michigan

General Telephone Company of the Midwest
Grinnell, Iowa

General Telephone Company of the Northwest, Inc.
Everett, Washington

General Telephone Company of Ohio
Marion, Ohio

General Telephone Company of Pennsylvaia
Erie, Pennsylvania

General Telephone Company of Wisconsin
Sun Prairie, Wisconsin

General Telephone Company of Florida
Tampa, Florida

General Telephone Company of Kentucky
Lexington, Kentucky

General Telephone Company of the Southeast
Durham, North Carolina

General Telephone Company of the Southwest
San Angelo, Texas

British Columbia Telephone Company
Vancouver, British Columbia, Canada

Quebec-Telephone
Rimouski, Quebec, Canada

Compania Dominicana de Telefonos, C. por A.
Santo Domingo, Dominican Republic

GTE Directories Corporation
Des Plaines, Illinois

GTE Satellite Corporation
Stamford, Connecticut

GTE Telenet Communications Group
Vienna, Virginia

GTE Communications Products Group
Stamford, Connecticut

GTE Northlake, Illinois

GTE Lenkurt Incorporated
San Carlos, California

GTE Customer Premises Equipment
Stamford, Connecticut

GTE Microcircuits
Tempe, Arizona

Sylvania Systems Group
Waltham, Massachusetts

GTE Electrical Products Group
Danvers, Massachusetts

GTE Lighting Products Group
Danvers, Massachusetts

GTE Electrical Equipment Group
Danvers, Massachusetts

GTE Precision Materials Group
Danvers, Massachusetts

GTE Laboratories
Waltham, Massachusetts

Transfer Agent(s):

GTE Shareholders Services Incorporated
(common & preferred)
P.O. Box 37
North Quincy, Massachusetts 02171

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Bank of America National Trust and Savings Association
P.O. Box 37000
San Francisco, California 94137

State Street Bank and Trust Company
P.O. Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam, Basel, Geneva, Lausanne, Zurich.

Ticker Symbol: GTE

Number of Employees:

1981	204,000	1978	214,000
1980	201,000	1977	203,000
1979	227,000		

Sales and Earnings †
(000's)

	Revenues & Sales ‡ (000's)	$ Net Income (000's)
1981	$ 11,026,000	$ 722,004
1980	9,979,000	479,525
1979	8,898,000	658,947

	No. of Com. Shares #	Earn. per Share #
1981	159,946,000	$ 4.32
1980	151,805,000	2.95
1979	146,000,000	4.30

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
‡ Of continuing operations only.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.78	—	—
1980	2.72	—	—
1979	2.60	—	—
1978	2.36	—	—
1977	2.12	—	—

Common Stock Equity ‡

		Total Equity + (000's)	Equity Per Share
1981	$	4,939,000	$ 29.81
1980		4,408,000	28.46
1979		4,188,000	28.38

‡ Restated.
+ After allowing for no par preferred stock at $25 per share and $50 par value preferred stock at par.

Income Account *
(000's)

Year ended Dec. 31	1981 ‡	1980
Revenues and Sales:		
Telephone oper.	$ 6,873,753	$ 5,927,958
Other oper.	4,152,543	4,050,917
Total income	$ 11,026,296	$ 9,978,875
Costs & expenses:		
Telephone oper.	4,833,783	4,219,283
Other oper.	3,963,752	3,795,403
Interest expense	1,016,305	870,429
Interest income	(76,718)	(60,596)
Minority interests	32,334	28,481
Preferred dividends of subsid.	60,205	59,266
Other income	(86,846)	(72,324)
Income before taxes	$ 1,283,481	$ 1,138,933
Income taxes	561,477	518,004
Income from cont. oper.	$ 722,004	$ 620,929
Loss from discont. oper.	—	(141,404)
Net Income	$ 722,004	$ 479,525

* Included in Costs and Expenses, Depreciation: $1,289,092,000 in 1981 and $1,140,540,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & temp. invest.	$ 179,800	$ 123,053
Receiv., net	1,829,389	1,704,898
*Inventories	1,347,330	1,543,916
Other assets	247,092	179,958
Current Assets	$ 3,603,611	$ 3,551,787
#Fixed assets	16,926,873	15,298,212
Investments & other assets	582,815	675,102
Total Assets	$ 21,113,299	$ 19,525,101

Liabilities
(000's)

	1981	1980 ‡
Construction loans	$ 624,479	$ 871,382
Short-term oblig.	470,649	471,539
Accts. payable	898,752	820,863
Accrued taxes	423,809	258,678
Advance billings	219,170	213,926
Liab. for loss of tax benefits	426,545	386,752
Other curr. liab.	1,125,122	984,189
Curr. Liabilities	$ 4,188,526	$ 4,007,329
Long-term debt	7,978,479	7,468,201
Reserves & deferred credits	2,582,258	2,244,700
+ Mand. redempt. pref. stock	701,232	714,710
No par preferred stock	100,000	100,000
+ Preferred stock	31,630	39,601
+ + Common stock	552,334	516,280
Add. paid-in capital	1,864,759	1,571,029
For. curr. trans. adjust.	(82,598)	(37,048)
Retained earnings	2,604,559	2,357,756
Minority interest in eq. of subsid.	592,120	542,543
Total Liabilities & Shareholders' Equity	$ 21,113,299	$ 19,525,101

‡ Restated.
* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $50 par value.
+ + $3.33⅓ par value.

General Terminal Corporation

14831 Franklin Avenue
Tustin, California 92680
(714) 730-0123

Officers: Allen H. Parkinson, chairman of the board & president; Joseph F. Prevratil, sr. v.p., chief financial officer & secretary-treasurer; Peter J. Walker, controller & chief accounting officer.

Directors: Allen H. Parkinson, chairman; George M. Aeed, Joseph F. Prevratil, Beebe Kline, Peter G. Johannsen.

Areas of Work: The Company designs, manufactures and markets data display terminals used as input-output devices for transmission of digital data. The terminals utilize a keyboard for data input and a cathode ray tube (CRT) for display.

Transfer Agent(s):
State Street Bank & Trust Company
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GTCI (NASDAQ)

Number of Employees:
1981 117

Plant Footage:
1981 . . . . . . 75,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 13,419,127	$ (901,459)
1980	17,029,807	(1,447,270)
1979	11,915,152	533,445

	No. of Com. Shares #	Earn. per Share #
1981	3,506,829	$ —
1980	3,514,752	—
1979	3,695,729	0.14

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 1,366,572	$ 0.39
1980	2,267.929	0.65
1979	3,734,118	1.01

# Based on the weighted average number of common shares and common share equivacents outstanding.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 13,419,127	$ 17,029,807
Cost of sales	10,334,100	13,676,271
Expenses	3,337,964	4,590,229
Other expense (income)	25,821	(50,563)
Interest income	(27,113)	(35,739)
Interest expense	649,814	296,879
Net Loss	$ (901,459)	$ (1,447,270)

* Included in Costs and Expenses, Depreciation and Amortization: $171,018 in 1981 and $131,107 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 22,791	$ 19,828
Cash held by receiver	44,254	142,112
Accts. rec. net	1,579,857	4,684,279
*Inventories	2,747,896	4,048,827
Prepaid expenses	29,288	193,931
Current Assets	$ 4,424,086	$ 9,088,977
#Fixed assets	835,747	766,877
Other assets	115,978	52,386
Total Assets	$ 5,375,811	$ 9,908,240

Liabilities

	1981	1980
Bank overdraft	$ —	$ 760,109
Short-term borr.	1,879,846	3,261,277
Long-term debt, curr.	136,015	127,628
Distr. due to creditors	94,942	300,456
Accts. payable	1,081,647	2,280,279
Accrued payroll	166,689	242,369
Accrued stock options	274,200	248,452
Other accruals	210,182	225,580
Curr. Liabilities	$ 3,843,521	$ 7,446,150
Long-term debt	165,718	194,161
+Common stock	879,453	879,453
Add. paid-in capital	1,760,518	1,760,518
Deficit	(1,245,582)	(344,123)
Treasury stock	(27,817)	(27,919)
Total Liabilities & Shareholders' Equity	$ 5,375,811	$ 9,908,240

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

Sales to Inventories	4.88	4.21
Working Capital	$ 580,565	$1,642,827
Current Ratio	1.15	1.22
Shareholders Equity	$1,366,572	$2,267,929

The General Tire & Rubber Company

One General Street
Akron, Ohio 44329
(216) 798-3000

Officers: M.G. O'Neil, president & chief executive officer; John O'Neil, chairman of finance committee; vice presidents: J.H. Miller, tires; A.E. Lange-controller; T.E. Pittenger-legal, Sam Salem-chemical and plastics; K.E. Johnson, treasurer; J.J. Dalton, secretary & general counsel.

Directors: M.G. O'Neil*, chairman; John O'Neil, T.E. Pittenger, David S. Henkel, R.B. Tullis*, James T. Morley, D. Bruce Mansfield*, William B. Walsh, J.J. Kerley, W.F. Spitznagel, T.F. O'Neil, L.D. Henry.

* Member of Executive Committee.

Divisions:

World Tire Division
One General Street
Akron, Ohio 44329
(216) 798-3000

Bias-type, bias-belted, and radial passenger and truck tires, off-the-road and farm tires. Retread rubber and recapping accessories. Tubes. Tire-repair materials. Curing accessories. Special products.

Chemical/Plastics Division/Industrial Products Group
One General Street
Akron, Ohio 44329
(216) 798-3000

Vinyl-coated fabric materials; plastic films and sheeting; roofing membrane systems; rigid and flexible plastics; tennis and racquet balls and accessories; adhesives and coatings for carpet, paper and rubber industries; synthetic rubber; polyvinyl chloride resins, engineered rubber and plastics parts. Extruded sponge seals. Belt-Strip seals. Vinyl seals. Gen-Line industries hose. Flocked window channels. Sight and Stone shields. Motor mounts. Rubber-and metal vibration dampers. Wiper blades. Brake system parts— wheel and master cylinder cups, distribution valves, vacuum assist diaphragms. Painted facia body parts. Extruded and molded rubber and plastic parts. Dock fenders. Missile parts. Bridge bearing pads. Railway crossing units.

The General Tire & Rubber Company

Subsidiaries:

Aerojet-General Corporation
10300 North Torey Pines Road
La Jolla, California 92037
(714) 455-8500

Aerospace and defense products:
Revenues are principally from sales of solid and liquid propellant rocket engines, waterjet propulsion systems, nuclear reactor components, aerospace tankage, ordinance items, electronic sensor systems and related defense items.

Engineering, fabrication and construction:
Revenues are principally from services in the engineering and construction industry, and sales of fabricated tankage and containers for chemicals, environmental, oil and related uses.

Industrial equipment and other products and services:
Revenues are principally from sales of vertical pumps (serving the oil, petrochemical, agricultural, steel, auto and utility companies), valves for oil company usage, scales and electronic weighing systems for various applications, specialty chemicals for pharmaceuticals, pesticides and coatings, and real estate management services.

Aerospace and Defense Products:

Aerojet ElectroSystems Company
P.O. Box 296
1100 W. Hollyvale Street
Azusa, California 91702
(213) 334-6211

Aerojet Liquid Rocket Company
P.O. Box 13222
Highway 50 and Aerojet Road
Nimbus, California 95670
(916) 355-1000

Aerojet Tactical Systems Company
P.O. Box 13400
Highway 50 and Hazel Avenue
Nimbus, California 95670
(916) 355-4000

Aerojet Strategic Propulsion Company
P.O. Box 15699C
Highway 50 and Hazel Avenue
Nimbus, California 95670
(916) 355-5500

Aerojet Manufacturing Company
601 South Placentia Avenue
Fullerton, California 92631
(714) 871-5680

Aerojet Ordnance Company
9236 East Hall Road
Downey, California 90241
(213) 923-7511

Engineering, Fabrication and Construction:

CESSCO
7310 99th Street
5540 Station "L"
Edmonton, Alberta, Canada T6C 4E9
(403) 433-9531

Chemical Construction Corporation
One Penn Plaza
New York, New York 10001
(212) 239-5100

Graver Energy Systems, Inc.
4809 Tod Avenue
East Chicago, Indiana 46312
(219) 392-9300

Graver Tank & Manufacturing Company, Inc.
(Southwest Region)
P.O. Box 1764
10101 Bay Area Blvd.
Houston, Texas 77001
(713) 474-5121

Industrial Equipment and Other Products and Services:

Johnston Pump Company
1775 East Allen Avenue
Glendora, California 91740
(213) 625-2415

General Valve Company
P.O. Box 4210
Fullerton, California 92634
(714) 879-3222

HCR International
680 Van Houten Avenue
Clifton, New Jersey 07015
(201) 471-3400

Cordova Chemical Company
P.O. Box 13400
Highway 50 and Hazel Avenue
Sacramento, California 95813
(916) 355-5000

Aerojet Investments, Ltd.
10300 North Torey Pines Road
La Jolla, California 92037
(714) 455-8500

Cordova Chemical Company
P.O. Box 5150
North Muskegon, Michigan 49445
(616) 766-3011

RKO General Operations:

RKO General, Inc.
1440 Broadway
New York, New York 10018
(212) 764-7000

RKO industry segments: "Broadcasting" operations consist primarily of 12 radio stations and 3 TV stations in major domestic markets and national sales representative organizations for radio and TV serving RKO and other stations. "Soft drink bottling" operations consist of the production, bottling and sale of soft drink products (primarily Pepsi Cola) from 8 midwestern plants. "Other industries" consist principally of audio tape duplicating services, manufacture of consumer blank tapes and the leasing of TV receivers.

Broadcasting:

Television Stations: WOR-TV, New York; KHJ-TV, Los Angeles; WHBQ-TV, Memphis.

Radio Stations: WOR-AM, WXLO-FM, New York; KHJ-AM, KRTH-FM, Los Angeles; WRKO-AM, WROR-FM, Boston; WHBQ-AM, Memphis; KRFC-AM, San Francisco; WGMS-AM-FM, Washington, D.C.; WAXY-FM, Fort Lauderdale; WFYR-FM, Chicago.

RKO Radio Networks, Inc.
New York, New York

Soft drink bottling:

Soft Drink Bottling Companies:
Bryan, O.; Muncie, Ind.; Toledo, O.; Lima, O.; South Bend, Brookville and Fort Wayne, Ind.

Other industries:

RKO National Tape Service, Inc.
West Caldwell, New Jersey

Electronics Leasing Corp.
New York, New York

Frontier Airlines, Inc. (55% owned)
Denver, Colorado

General Tire International Company
One General Street
Akron, Ohio 44329
(216) 798-3000

International Affiliates' Headquarters:

General Tire Canada, Ltd.
Barrie, Ontario, Canada

Welland, Ontario, Canada

Compania Ecuatoriana del Caucho S.A.
Quito, Ecuador

General Popo, S.A.
Mexico City, Mexico

Placticos Laminados, S.A.
Tlalnepantla, Mexico

The General Tire & Rubber Company of Morocco
Casablanca, Morocco

The General Tire Company (Ireland) Ltd.
Mullingar County, Westmeath, Ireland

General Tyre East Africa, Ltd.
Arusha, Tanzania

Cauchos General C.A.
Caracas, Venezuela

Transfer Agent(s):
Chemical Bank (Preference Stock)
New York, New York

The General Tire & Rubber Company
(Common and Preference Stock)
Akron, Ohio

Morgan Guaranty Trust Company of New York
(Common Stock)
New York, New York

Stock Exchange(s): New York, Midwest

Ticker Symbol: GY

Number of Employees:

1981	36,000	1978	42,000
1980	39,000	1977	40,000
1979	42,000		

Sales and Earnings †

	Net Sales ✦	Net Income
1981	$ 2,175,215	$ 110,854
1980	1,865,654	40,608
1979	1,985,273	79,777
1978	1,848,120	113,549
1977	1,741,879	114,897

	No. of Com. Shares ‡	Earn. per Share ‡
1981	24,517,164	$ 4.51
1980	24,590,932	1.64
1979	24,583,317	3.23
1978	24,557,965	4.61
1977	24,525,536	4.67

† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
✦ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1981	1980
Tires & related products	$ 1,119,711	$ 956,433
Plastics & similar products	438,001	421,212
Industrial products	158,972	138,621
Aerojet-General Corporation	458,531	349,388
Total	$ 2,175,215	$ 1,865,654

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ 1.50	2%	—
1980	1.50	2%	—
1979	1.50	2%	—
1978	1.35	2%	—
1977	1.225	2%	—

Common Stock Equity†

	Total Equity	Equity Per Share ‡
1981	$ 1,030,489,000	$ 42.03
1980	983,368,000	39.99
1979	978,805,000	39.82
1978	934,310,000	38.05

† Restated to reflect change in accounting method.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Nov. 30	1981	1980 ‡
Net sales	$ 2,175,215	$ 1,865,654
Other income	36,700	29,662
Total income	$ 2,211,915	$ 1,895,316
Cost of sales	1,810,376	1,585,973
Expenses	253,852	219,913
Depreciation	69,885	65,223
Interest expense	30,103	28,105
Inc.(loss) bef. taxes & Inc. of RKO General Inc.	$ 47,699	$ (3,898)
Income tax (credit)	10,500	(8,223)
Inc. of RKO General	(28,682)	(23,885)
Inc.—cont. oper.	$ 65,881	$ 28,210
Inc.—discont. oper.	44,973	12,398
Net Income	$ 110,854	$ 40,608

‡ Restated to reflect change in accounting method.

Assets
(000's)

As of Nov. 30	1981	1980 ‡
Cash & short-term securities	$ 96,914	$ 118,282
Accts. & notes receiv., net	324,132	324,342
*Inventories	307,650	332,557
Prepaid expenses	12,083	17,601
Assets of discont. oper.	53,269	—
Current Assets	$ 794,048	$ 792,782
Invest. in RKO Gen.	298,942	232,409
Foreign sub & affil. co's	32,613	36,369
Fixed assets	595,469	641,746
Other assets	155,972	137,049
Total Assets	$ 1,844,431	$ 1,803,986

Liabilities
(000's)

	1981	1980
Notes payable	$ 30,027	$ 35,566
Long-term debt, curr.	20,074	35,472
Accts. payable & accruals	371,045	326,715
Income taxes	79,201	15,146
Curr. Liabilities	$ 421,150	$ 412,899
Long-term debt	248,098	238,512
Deferred income	16,223	15,902
Deferred inc. taxes	122,572	146,873
+ Redeem. pref. stock	5,899	6,432
+ + Common stock	7,067	7,233
Add. paid-in capital	210,518	228,904
Retained earnings	812,904	747,231
Total Liabilities & Shareholders' Equity	$ 1,844,431	$ 1,803,986

‡ Restated to reflect change in accounting method.
* At lower of cost (LIFO for parent company, FIFO or average cost for subsidiaries) or market.
# Less accumulated depreciation.
+ $100 par value; cumulative.
+ + $0.30 par value.

Statistical Summary

% Net Income to Equity	10.76	4.31
Sales to Inventories	7.07	5.61
Working Capital	$ 372,898,000	$379,883,000
Current Ratio	1.89	1.92
Shareholders' Equity	$1,030,489,000	$983,367,000

Genisco Technology Corporation

18435 Susana Road
Rancho Dominguez, California 90021
(213) 537-4750

Officers: Robert B. Phinizy, president & chief executive officer; William R. Esser, v.p. & president-Electronics Division; Robert N. Haro, v.p. & president-Memory Products Division; James I. Baker, v.p. & chief financial officer; John A. Calfas, secretary; Gary Nelsen, conroller; David A. Phipps, asst. secretary; Robert J. Gray, v.p.

Directors: Richard S. Farr, Martin S. Locke, Robert B. Phinizy, Alan J. Brown, Donn L. Williams, Walter E. Lotz, Jr., Wendell B. Sell.

Divisions:

Electronics Division
Memory Products Division
18435 Susana Road
Rancho Dominguez, California 90021
(213) 537-4750

Manufactures Eldema indicator lites and Genisco filter products, high environment magnetic tape recorders, transducers, and rotational test equipment.

Computers Division
3545 Cadillac Avenue
Costa Mesa, California 92626
(714) 556-4916

Graphic communications, terminals, and display systems.

Transfer Agent(s):

Security Pacific National Bank
561 South Spring Street
Los Angeles, California 90054

Stock Exchange(s): American, Pacific

Ticker Symbol: GES

Number of Employees:

1981	451	1978	309
1980	425	1977	287
1979	400		

Plant Footage:

1981	190,000 sq. ft.	1978	122,000
1980	175,000	1977	138,000
1979	160,000		

Sales and Earnings

	Net Sales †	Net Income #
1981	$ 23,280,373	$ 1,236,266
1980	17,516,283	1,203,341
1979	15,204,962	1,322,408
1978	12,276,263	434,941
1977	10,661,364	(1,695,334)

	No. of Com. Shares +	Earn. per Share #‡
1981	1,895,369	$ 0.65
1980	1,859,067	0.65
1979	1,795,826	0.74
1978	1,791,897	0.24
1977	1,791,897	—

(Loss)
† Of continuing operations only.
# Including extraordinary gains of $185,000 ($0.09 per share) in 1980, $405,000 ($0.23 per share) in 1979 and $195,000 ($0.11 per share) in 1978.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Computer graphic displays	$ 7,747	$ 4,699
Memory products	7,284	5,683
Electronics	8,249	6,884
Other income	—	250
Total	$ 23,280	$ 17,516

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 5,716,197	$ 3.02
1980	4,163,509	2.24
1979	2,799,906	1.56
1978	1,283,588	0.72
1977	848,647	0.47

+ Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 23,280,373	$ 17,516,283
Cost of sales	15,093,827	11,169,613
Expenses	5,497,560	4,208,275
Interest expense	367,071	244,299
Income before taxes	$ 2,321,915	$ 1,894,096
Income taxes	1,085,649	875,755
Net Income	$ 1,236,266	$ 1,018,341
Extraordinary gain	—	185,000
Net Income & extraord. gain	$ 1,236,266	$ 1,203,341

* Included in Costs and Expenses, Depreciation and Amortization: $582,272 in 1981 and $400,900 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 165,120	$ 163,274
Accts. receiv., net	6,054,919	4,077,585
*Inventories	3,971,928	2,920,583
Prepaid expenses	317,692	224,096
Current Assets	$ 10,509,659	$ 7,385,538
#Fixed assets	2,946,083	2,198,165
Other assets	121,613	161,069
Total Assets	$ 13,577,355	$ 9,744,772

Liabilities

	1981	1980
Long-term debt, curr.	$ 398,928	$ 505,818
Deferred income	326,322	—
Accts. payable	1,782,711	1,417,729
Accruals	473,783	271,702
Accrued payroll	1,764,837	1,400,011
Income taxes	338,394	399,437
Curr. Liabilities	$ 5,084,975	$ 3,994,697
Long-term debt	2,684,203	1,586,566
Minority interest	91,980	—
+ Common stock	1,118,308	790,312
Add. paid-in capital	1,944,571	1,956,145
Retained earnings	2,653,318	1,417,052
Total Liabilities & Shareholders' Equity	$ 13,577,355	$ 9,744,772

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.97	10.81
%Net Income to Sales	5.31	5.81
%Net Income to Equity	21.63	24.46
Sales to Inventories	5.86	6.00
Working Capital	$5,424,684	$3,390,841
Current Ratio	2.07	1.85
Shareholders' Equity	$5,716,197	$4,163,509

GenRad, Inc.

300 Baker Avenue
Concord, Massachusetts 01742
(617) 369-4400

Officers: William R. Thurston, president & chief executive officer; Richard A. Cambria, v.p.-personnel development; Paul Coughlan, controller; Robert G. Fulks, v.p. & general manager - Advanced Technology; W. Douglas Hajjar, sr. v.p., chief financial officer & treasurer; J. Robert Held, v.p. & gen. mgr.-sales & services; Walter C. Hinds, Jr., sr. v.p. & gen. mgr.-Futuredata Development Systems Division; Constantine J. Lahanas, v.p.-corporate development; Harold T. McAleer, sr. v.p. & gen . mgr.-Component Test Division; Eric L. Mudama, v.p. & gen. mgr.-Vibration Analysis Division; Howard O. Painter, Jr., v.p. & gen. mgr.-Service Products Division; Richard G. Rogers, sr. v.p. & gen. mgr.-Board Test Division; John L. Steele, Jr., secretary & general counsel.

Directors: Paul Penfield, Jr., Thomas R. Piper, Earle W. Pitt, W. Hardie Shepard, William R. Thurston, Wilson Wilde, James H. Wright.

Areas of Work: Manufactures test equipment for the electronic equipment, mechanical equipment and semiconductor industries. The company's computer-based test systems, are used by electronics manufacturers to test printed circuit boards and isolate faults down to the individual component level. Electronic component test instruments indicate whether capacitors, resistors, inductors, or integrated circuits are functioning properly. Digital signal processors analyze structures and machinery. Acoustic instrumentation products analyze and measure noise, and are widely used to test compliance with industrial and environmental noise regulations.

Divisions:

Board Test Division
Concord, Massachusetts

Component Test Division
Bolton, Massachusetts

Service Products Division
Phoenix, Arizona

Vibration Analysis Division
Santa Clara, California

Futuredata Development Systems Division
Culver City, California

Subsidiaries:

GenRad Ltd.
Toronto, Ontario, Canada

GenRad Ltd.
Maidenhead, Berks., United Kingdom

GenRad
Paris, France

GenRad GmbH
Munich, Germany

GenRad SpA
Milan, Italy

GenRad AG
Zurich, Switzerland

GenRad/Benelux B.V.
Best, Netherlands

GenRad Semiconductor Test, Inc.
Milpitas, California

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Number of Employees:

1981	2,700	1978	1,778
1980	3,031	1977	1,684
1979	2,343		

Sales and Earnings

	Net Sales †	Net Income
1981	$ 169,324,000	$ (1,772,000)
1980*	157,669,000	11,053,000
1979	111,682,000	8,512,000
1978	86,837,000	6,373,000
1977	71,442,000	3,600,000

	No. of Com. Shares +	Earn. per Share +
1981	7,627,000	$ —
1980	7,414,000	1.49
1979	6,458,000	1.32
1978	6,074,000	1.05
1977	5,824,000	0.62

(Loss)
† Includes service revenues; of continuing operation's only.
+ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.
* 53 weeks.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.08	—	—
1980	0.075	—	2-for-1
1979	0.06	—	—
1978	0.05	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 73,460,000	$ 9.55
1980	74,431,000	9.79
1979	41,890,000	6.47
1978	32,787,000	5.40
1977	23,077,000	3.96

+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/2/82	1/3/81
Net sales & service revenues	$ 169,324	$ 157,669
Cost of sales & services	79,616	72,974
Expenses	76,298	60,466
Other income	(24)	(631)
Interest expense	7,977	2,972
For. curr. exch.	1,456	243
Income before taxes	$ 4,001	$ 21,645
Income taxes	1,066	9,856
Inc.-cont. oper.	$ 2,935	$ 11,789
Loss-discont. oper.	(4,707)	(1,467)
Cum. effect of change in accntg. princ.	—	731
Net Income (Loss)	$ (1,772)	$ 11,053

* Included in Costs and Expenses, Depreciation and Amortization: $7,780,000 in 1981 and $4,780,000 in 1980.

Assets
(000's)

As of	1/2/82	1/3/81
Cash	$ 3,735	$ 3,447
Accts. receiv., net	48,955	41,328
*Inventories	51,170	56,087
Refund inc. tax benefits	7,918	--
Other curr. assets	1,058	3 516
Assets of discont. oper.	5,501	7,529
Current Assets	$ 118,337	$ 111,907
#Fixed assets	34,543	33,445
Other assets	1,490	1,671
Assets of discont. oper.	1,924	1,694
Total Assets	$ 156,294	$ 148,717

Liabilities
(000's)

Notes payable	$ 8,238	$ 7,482
Long-term debt, curr.	1,271	1,271
Accts. payable	10,181	10,628
Accruals	13,677	11,110
Income taxes	408	1,966
Liab. of discont. oper.	1,871	1,583
Curr. Liabilities	$ 35,646	$ 34,040
Long-term debt	45,485	38,853
Deferred inc. taxes	1,703	1,393
+Common stock	7,692	7,600
Add. paid-in capital	22,819	21,500
Retained earnings	42,949	45,331
Total Liabilities & Shareholders' Equity	$ 156,294	$ 148,717

* At cost (FIFO) not in excess of market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	14.85
Sales to Inventories	3.31	2.81
Working Capital	$82,691,000	$77,867,000
Current Ratio	3.32	3.29
Shareholders' Equity	$73,460,000	$74,431,000

George Risk Industries, Inc.

GRI Plaza
Kimball, Nebraska 69145
(308) 235-4645

Officers: George Risk, president & treasurer; Robert Nickels, v.p.; Dale J. Risk, secretary; Kenneth R. Risk, asst. secretary & asst. treasurer; L. Johnson, buyer; R. Nickels, mktg. mgr.; D. Ramsey, production mgr.

Directors: George Risk, chairman, Dale J. Risk, Kenneth Risk, Jerry Anderson, Bob Pinkerton.

Areas of Work: Develops and manufactures computer keyboards, high reliability switches, keyboard switches, and burglar alarm and window switches, and electronic animal control instruments.

Subsidiaries:

Richlieu Corporation d/b/a Craftman
 Shower Door Co. (inactive)
Columbus, Nebraska

Transfer Agent(s):

George Risk Industries, Inc.
GRI Plaza
Kimball, Nebraska 69145

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	70	1977	51
1979	70	1976	50
1978	60		

Plant Footage:

1980	14,000 sq.ft.	1977	14,000
1979	14,000	1976	14,000
1978	14,000		

Sales and Earnings

	Net Sales	Net Income ‡
1980†	$ 1,517,682	$ 81,707
1979†	1,307,027	126,804
1978†	943,931	72,632
1977	757,042	(100,492)
1976	612,913	(11,600)

	No. of Com. Shares	Earn. per Share ‡
1980†	5,676,071	$0.01
1979†	5,676,071	0.02
1978†	5,651,071	0.01
1977	4,270,451	—
1976	4,270,451	—

(Loss)
† Restated.
‡ Including extraordinary credit of $807,060 ($0.14 per share) in 1978.

Income Account *

Year ended April 30	1980	1979‡
Net sales	$ 1,517,682	$ 1,307,027
Cost of sales	1,105,246	839,493
Expenses	257,057	251,245
Other income	(40,634)	(13,202)
Other expenses	114,306	102,687
Net Income	$ 81,707	$ 126,804

‡ Restated.

Assets

As of April 30	1980	1979
Cash	$ 53,560	$ 30,766
Accts. receiv., net	201,954	225,865
Escrow funds	10,000	10,000
* Inventories	552,404	486,575
Prepaid expenses	4,075	10,179
Current Assets	$ 821,993	$ 763,385
# Fixed assets	220,181	225,840
Other assets	11,022	11,675
Total Assets	$ 1,053,196	$ 1,000,900

Liabilities

Notes payable	$ 325,169	$ 388,447
Long-term debt, curr.	49,448	54,072
Accts. payable	103,538	110,223
Accruals	71,267	7,776
Accrued taxes	14,433	16,760
Curr. Liabilities	$ 563,855	$ 577,278
Long term debt	224,251	240,241
+ Preferred stock	357,000	357,000
+ + Common stock	567,607	567,607
Add. paid-in capital	777,930	777,930
Deficit	(1,270,825)	(1,352,534)
Treasury stock	(52,560)	(52,560)
Value of shares issued at less than par	(114,062)	(114,062)
Total Liabilities & Shareholders' Equity	$ 1,053,190	$ 1,000,900

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $20 stated value, convertible noncumulative.
+ + $0.10 par value.

Statistical Summary

%Net Income to Sales	5.38	9.70
%Net Income to Equity	30.82	69.15
Sales to Inventories	2.75	2.69
Working Capital	$ 258,138	$ 186,107
Current Ratio	1.46	1.32
Shareholders' Equity	$ 265,090	$ 183,381

Geosource Inc.

2700 Post Oak Boulevard
Suite 2000
Houston, Texas 77056
(713) 961-1111

Officers: John D. Platt, chairman of the board, & chief executive officer; William R. Laws, president Thomas Baron, sr. v.p.-corporate development; Donald L. Frankel, sr. v.p.-finance; B.W. Moore, sr. v.p.-operations; Robert C. Moore, sr. v.p.-legal & administration & secretary; Richard F. Drasen, v.p.-public relations & communications; James R. Gibbs, v.p. & treasurer; Richard R. Griffiths, v.p.-human resources; Peter J. Manale, Jr., v.p. & controller; Don B. Sheffield, v.p.-operations.

Directors: John D. Platt, chairman; Harold Bridges, William D. Eberle, John M. Galvin, John J. Henry, Russell D. Hensly, L. Robert Johnson, William R. Laws, Hugh F. Steen, Jack H. Vollbrecht.

Areas of Work: Manufactures and markets high quality geophones used in the acquisition of seismic data, geophone cables, digital analog and graphic recording instruments, specialized equipment such as firing systems, monitoring devices and data processing systems which transform seismic data into geophysical cross sections.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Texas Commerce Bank N.A.
P.O. Box 2558
Houston, Texas 77001

Stock Exchange(s): New York, Pacific

Ticker Symbol: GSE

Number of Employees:

1981 10,0000

Sales and Earnings ‡

	Revenues	Net Income
1981	$ 730,731,000	$ 58,551,000
1980	538,903,000	41,152,000
1979	418,741,000	26,505,000
1978	320,271,000	22,016,000
1977	263,877,000	18,862,000

	No. of Com. Shares	Earn. per Share #
1981	14,259,000	$ 4.06
1980	14,112,000	2.92
1979	13,657,000	1.93
1978	12,832,000	1.68
1977	12,266,000	1.59

‡ Restated to include operations of companies acquired on a pooling of interests basis and to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Petroleum exploration	$ 352,672	$ 231,888
Petroleum development	185,177	124,438
Petroleum processing & distr.	184,829	169,920
Other	9,885	9,253
Eliminations	(3,378)	—
Gain on sale of assets	1,546	3,404
Total	$ 730,731	$ 538,903

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.50	—	—
1980	0.43	—	2-for-1
1979	0.37	—	—
1978	0.34	—	—
1977	0.085	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$227,081,000	$15.93
1980	174,243,000	12.35
1979	134,873,000	9.88
1978	106,989,000	8.34
1977	87,043,000	7.10

‡ Restated.

Income Account *
(000's)

Year ended	1981	1980 ‡
Revenues	$ 730,731	$ 538,903
Cost of sales	517,243	394,087
Expenses	107,592	77,229
Eq. in pre-tax earn. of unconsol. affil.	8,226	4,616
Income before taxes	$ 106,090	$ 70,653
Income taxes	47,539	29,501
Net Income	$ 58,551	$ 41,152

* Included in Costs and Expenses, Depreciation: $34,705,000 in 1981 and $22,968,000 in 1980.
‡ Restated.

Assets
(000's)

As of Sept. 30	1981	1980 ‡
Cash	$ 8,671	$ 25,117
*Inventories	114,266	88,728
Receivables	132,514	98,467
Fut. tax benefits & prepaid exp.	20,923	16,372
Current Assets	$ 276,374	$ 228,684
# Fixed assets	236,693	128,053
Invest. in unconsol. affil.	5,489	4,833
Other assets	6,724	3,718
Intangibles	7,509	7,816
Total Assets	$ 532,789	$ 373,104

Liabilities
(000's)

Bank loans	$ 5,891	$ 465
Long-term debt. curr.	8,560	11,072
Accts. payable	53,966	41,903
Accruals	33,052	26,110
Income taxes	33,471	26,759
Other liab.	34,252	24,569

Curr. Liabilities	$ 169,192	$ 130,878
Long-term debt	94,891	35,351
Deferred inc. taxes	37,426	24,923
Other liab.	4,199	7,709
+ Common stock	14,259	14,112
Add. paid-in capital	43,814	41,370
Retained earnings	169,613	119,601
Restricted stock award plan exp.	(605)	(840)
Total Liabilities & Shareholders' Equity	$ 532,789	$ 373,104

‡ Restated.
* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO or average.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.52	13.11
%Net Income to Sales	8.01	7.64
%Net Income to Equity	25.78	24.03
Working Capital	$107,182,000	$ 97,806,000
Current Ratio	1.63	1.75
Shareholders' Equity	$227,081,000	$174,243,000

Geotel, Inc.

185 Dixon Avenue
Amityville, New York 11701
(516) 842-2300

Officers: Eugene F. Murphy, president; William Wallace, treasurer; Marie Rorke, secretary & asst. treasurer; William J. Waymack, assistant secretary.

Directors: Benjamin V. Wright, Jr., Eugene F. Murphy, Bernard Schnieholk, Charles Seibert, Richard L. Geiger.

Divisions:

Flight Research Division
5210 Charles City Road
Richmond, Viriginia 23231
(804) 222-0163

Manufactures precision photo-instrumentation and analog-to-digital converters. The photo-instrumentation products include systems for industrial and banking surveillance, CRT and radar recordings, time lapse photographic instruments, photo-logging systems as well as industrial viewers and projectors.

Plasmadyne Divisoon
2601 Walnut Avenue
Tustin,California 92680
(714) 545-7171

Manufactures plasma spray systems for producing thermally bonded coatings of metallic, plastic and ceramic materials; plasma arc lamps; plasma welding equipment.

Telemet Division
185 Dixon Avenue
Amityville, New York 11701
(516) 842-2300

Manufactures solid state communications test equipment used in the broadcast, CATV, CCTV, educational TV, telephone and other communications markets.

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GETE (NASDAQ)

Number of Employees: (at fiscal year end)

1981	123	1978	110
1980	115	1977	100
1979	118		

Plant Footage:

1981	110,000 sq. ft.	1978	110,000
1980	110,000	1977	110,000
1979	110,000		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 7,556,640	$ 567,213
1980	6,926,627	1,157,998
1979	5,253,366	435,812
1978	3,948,304	37,373
1977	3,537,125	(345,198)

	No. of Com. Shares	Earn. per Share # ‡
1981	3,017,915	$ 0.19
1980	3,017,915	0.41
1979	1,555,113	0.21
1978	1,555,113	0.02
1977	1,555,113	—

(Loss)
# Including extraordinary loss of 59,140 in 1977, and extroadinary gains of $647,693 ($0.23 per share) in 1980, and $181,000 ($0.09 per share) in 1979.
‡ Based on the number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,545,526	$ 0.84
1980	1,978,313	0.66

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 7,556,640	$ 6,926,627
Cost of sales	4,369,376	4,184,654
Expenses	2,088,067	1,722,862
Interest expense	141,519	164,071
Other income	(44,535)	(47,265)
Income before taxes	$ 1,002,213	$ 902,305
Income taxes	435,000	392,000
Net Income	$ 567,213	$ 510,305
Extraord gain	—	647,693
Net Income & extraord. gain	$ 567,213	$ 1,157,998

* Included in Coast and Expenses, Depreciation and Amortization: $145,613 in 1981 and $143,780 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 283,104	$ 247,974
Accts. receiv., net	1,158,749	1,002,269
* Inventories	1,958,056	1,616,560
Deferred taxes	10,000	229,000
Prepaid expenses	41,412	48,772
Recov. inc. taxes	79,349	—
Current Assets	$ 3,530,670	$ 3,144,575
# Fixed assets	281,937	298,969
† Prop. under cap. leases	68,068	124,599
Other assets	56,295	93,162
Total Assets	$ 3,936,970	$ 3,661,305

Liabilities

Long-term debt, curr.	$ 10,773	$ 76,840
Cap. lease oblig., curr.	51,262	101,618
Accts. payable	354,462	247,220
Accruals	243,120	349,776
Accured payroll	209,695	201,616
Income taxes	—	288,372
Curr. Liabilities	$ 869,312	$ 1,265,442
Long-term debt	464,928	309,086
Cap. lease oblig.	57,244	108,464
+ Common stock	303,244	303,244
Add. paid-in capital	3,474,583	3,474,583
Deficit	(1,232,301)	(1,799,514)
Total Liabilities & Shareholders' Equity	$ 3,936,970	$ 3,661,305

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
† Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.26	13.03
%Net Income to Sales	7.5	7.37
%Net Income to Equity	22.28	25.79
Sales to Inventories	3.86	4.28
Working Capital	$2,661,358	$1,879,133
Current Ratio	4.06	2.48
Shareholders' Equity	$2,545,526	$1,978,313

Gerber Scientific, Inc.

83 Gerber Road
South Windsor, Connecticut 06074
(203) 644-1551

P.O. Box 305
Hartford, Connecticut 06101

Officers: H. Joseph Gerber, president; Stanley Leven, sr. v.p., general counsel & secretary; David J. Logan, sr. vice president-engineering; Robert J. Maerz, sr. vice president-marketing & operations; George Gentile, sr. vice president-finance & treasurer.

Directors: H. Joseph Gerber, Stanley Leven, Belmont Towbin, Stanley Simon, Roger B. McCormick.

Areas of Work: Specializes in the design, manufacture, sale and service of computer-automated plotting and digitizing systems and Interactive Design Systems.

Subsidiaries:

The Gerber Scientific Instrument Company
83 Gerber Road
South Windsor, Connecticut 06074
(203) 644-1551

Designs and manufactures task-oriented, turnkey interactive systems which are used in high precision drafting and photoplotting. These computer controlled systems are used to automate the production of critical engineering drawings and artwork.

Gerber Garment Technology, Inc.,
55 Gerber Road
South Windsor, Connecticut 06074
(203) 644-2401

Manufactures CAD/CAM systems for the layout and cutting of flexible materials such as fabrics, textiles, leather, vinyls, plastics, fiberglass and advanced composite materials. The computer aided design (CAD) systems automate sizing and arranging of pattern pieces to maximize material usage. The computer aided manufacturing systems used the data generated by the design systems to cut the materials.

Gerber Systems Technology (80% owned)
Gerber Road
South Windsor, Connecticut 06074

Interactive computer graphic design and data management systems used in computer-aided design and manufacturing (CAD/CAM).

Gerber Scientific-Europe, S.A.
Rue E. Stenno 27
1160 Brussels, Belgium

Gerber Scientific-U.K. Limited
Hunting House
Central Way, Feltham
Middlesex, England

Gerber Scientific Instruments, GmbH
Munich, Germany

Gerber Scientific Exporting, Inc
(DISC)
South Windsor, Connecticut

Beta Engineering and Development, Inc. (54% owned)
P.O. Box 98
Beer-Sheva, Israel

Designs, manufactures and markets CAD/CAM systems for sewing and decorative stitching. Also manufactures intrusion detection systems for industry and government use.

Gerber Scientific Leasing, Inc.

Gerber Scientific Products, Inc.

Develops special products to order specifications.

Affiliates:

Boston Digital Corporation (21.2% owned)
Holliston, Massachusetts

Manufactures numerically controlled machine tools.

Transfer Agent(s):

The Connecticut Bank and Trust Company
Hartford, Connecticut 06103

Stock Exchange(s): New York

Ticker Symbol: GRB

Plant Footage:

1981	500,000 sq. ft.	1978	167,000
1980	500,000	1977	107,000
1979	N/A*		

* Not available.

Sales and Earnings

	Net Sales	Net Income #
1981	$ 93,105,000	$ 8,881,000
1980	74,400,000	5,854,000
1979	45,049,000	3,877,000
1978	27,232,000	1,707,000
1977	20,777,878	1,024,121

	No. of Com. Shares	Earn. per Share ‡#
1981	6,279,000	$ 1.00
1980	6,199,000	0.92
1979	6,140,000	0.52
1978	6,000,000	0.25
1977	5,856,000	0.17

# Including extraordinary gains of $13,906 ($0.01 per share) in 1977.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.11	—	2-for-1
1980	0.062	—	2-for-1
1979	0.042	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 35,746,000	$ 5.69
1980	20,524,000	3.31
1979	14,678,000	2.39
1978	10,816,000	1.80
1977	8,998,653	1.54

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 93,105,000	$ 74,400,000
Cost of sales	45,606,000	38,792,000
Expenses	35,328,000	25,055,000
Interest expense	3,409,000	2,608,000
Other income	(6,459,000)	(2,087,000)
Income before taxes	$ 15,221,000	$ 10,032,000
Income taxes	6,100,000	4,000,000
Minority interest	240,000	178,000
Net Income	$ 8,881,000	$ 5,854,00

* Included in Costs and Expenses, Depreciation and Amortization: $2,044,000 in 1981 and $1,214,000 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 5,105,000	$ 6,541,000
Accts. receiv., net	31,903,000	21,592,000
*Inventories	30,468,000	24,033,000
Prepaid expenses	918,000	348,000
Current Assets	$ 67,784,000	$ 52,514,000
Investments	2,234,000	1,611,000
#Fixed assets	16,853,000	11,743,000
Other assets & intangibles	4,761,000	1,873,000
Total Assets	$ 91,632,000	$ 67,741,000

Liabilities

Notes payable	$ 3,114,000	$ 2,768,000
Long-term debt, curr.	185,000	175,000
Accts. payable	8,361,000	8,240,000
Accruals	4,238,000	3,316,000
Accrued payroll	2,856,000	2,799,000
Income taxes	9,352,000	5,110,000
Advance payments	1,884,000	1,624,000
Curr. Liabilities	$ 29,990,000	$ 24,032,000
Long-term debt	22,391,000	22,560,000
Deferred inc. taxes	886,000	186,000
Minority interest	2,619,000	439,000
+Common stock	6,185,000	3,051,000
Add. paid-in capital	6,636,000	2,756,000
Retained earnings	22,925,000	14,717,000
Total Liabilities & Shareholders' Equity	$ 91,632,000	$ 67,741,000

* At lower of average cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.35	13.48
%Net Income to Sales	9.54	7.87
%Net Income to Equity	24.84	28.52
Sales to Inventories	3.06	3.10
Working Capital	$37,794,000	$28,482,000
Current Ratio	2.26	2.19
Shareholders' Equity	$35,746,000	$20,524,000

Giddings & Lewis, Inc.

Fond du Lac, Wisconsin 54935
(414) 921-9400

Officers: George J. Becker, president & chief executive officer; Duane H. Bates, v.p.-information systems; Frederick M. Fleury, v.p.-finance, secretary & treasurer; Thomas W. Grebe, asst. secretary; Richard C. Kleinfeldt, v.p. & controller; Charles A. Zwerg, v.p.-industrial relations.

Directors: Frank J. Austin, John H. Batten*, George J. Becker*, John S. Best*, Robert G. Chamberlain, Frank W. Jones, Ralph J. Kraut*, Allen L. McKay, Don R. O'Hare, John A. Puelicher*, Stuart W. Tisdale.

* Member of the Executive Committee.

Areas of Work: The Company's electronics subsidiary supplies numerical controls, programmable controllers, and microcomputers for the machine tool segment of the Company. Other electronic products include printed circuit boards, electronic measuring equipment and industrial products.

Subsidiaries:

Basic Electronic Mfg. Corp.
108 Rollins Road
Round Lake Beach, Illinois 60073
(312) 546-8251

Printed circuit boards.

Giddings & Lewis Electronics Company
Fond du Lac, Wisconsin 54935
(414) 921-9400

Controls, programmable controllers and microcomputers.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: GID

Number of Employees:

1981	4,474	1978	3,787
1980	4,449	1977	3,604
1979	4,122		

Sales and Earnings ‡

	Net Sales	Net Income
1981	393,234,000	35,465,000
1980	366,125,000	34,477,000
1979	300,845,000	31,960,000
1978	236,754,000	19,743,000
1977	173,397,000	7,546,000

	No. of Com. Shares †	Earn. per Share +
1981	10,523,791	3.38
1980	10,467,214	3.35
1979	10,132,333	3.24
1978	9,964,086	2.02

‡ Restated to include operations of companies acquired on a pooling of interests basis.

† Adjusted to reflect stock splits.

+ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.77	—	3-for-2
1980	0.67	—	5-for-4
1979	0.49	—	—
1978	0.29	—	5-for-4

Common Stock Equity ‡

	Total Equity	Equity Per Share +
1981	14,980,000	16.29
1980	17,376,000	13.72
1979	24,833,000	11.24
1978	25,236,000	8.52

‡ Restated.

+ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 393,233,541	$ 366,125,000
Cost of sales	267,809,982	248,016,288
Expenses	59,737,164	55,547,177
Profit on dispos. of prop.	(1,077,620)	(679,368)
Interest expense	2,262,008	3,066,745
Interest income	(3,131,690)	(2,373,267)
Other charges (income)	760,118	(529,758)
Income before taxes	$ 66,873,579	$ 63,077,183
Income taxes	31,409,000	28,600,000
Net Income	$ 35,464,579	$ 34,477,183

* Included in Costs and Expenses, Depreciation: $8,121,470 in 1981 and $7,304,860 in 1980.

‡ Restated.

Giddings & Lewis, Inc.

Assets

As at Dec. 31	1981	1980 ‡
Cash	$ 4,830,415	$ 4,167,439
Short-term invest.	18,753,957	8,210,129
Accts. receiv., net	59,100,100	73,000,609
*Inventories	93,106,815	79,812,060
Prepaid expenses	887,948	793,727
Current Assets	$ 176,679,235	$ 165,983,964
#Fixed assets	48,104,326	44,693,978
Other assets	4,694,030	3,111,533
Total Assets	$ 229,477,591	$ 213,789,475

Liabilities

	1981	1980 ‡
Notes payable	$ 593,624	$ 2,023,037
Long-term debt, curr.	1,908,400	1,967,493
Accts. payable	11,108,913	15,477,544
Accruals	20,998,845	22,743,437
Income taxes	4,800,947	6,437,000
Curr. Liabilities	$ 39,410,729	$ 48,648,511
Long-term debt	14,980,047	17,376,039
Deferred inc. taxes	3,638,791	4,205,045
+Common stock	21,047,582	13,956,286
Add. paid-in capital	20,835,157	27,447,691
Retained earnings	129,565,285	102,155,903
Total Liabilities & Shareholders' Equity	$ 229,477,591	$ 213,789,475

‡ Restated.
* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $2 par value.

Statistical Summary

	1981	1980 ‡
%Income bef. Taxes to Sales	16.75	17.23
%Net Income to Sales	8.88	9.42
%Net Income to Equity	20.69	24.02
Sales to Inventories	4.29	4.59
Working Capital	$137,268,506	$117,335,453
Current Ratio	2.24	3.41
Shareholders' Equity	$171,448,024	$143,559,880

The Gleason Works

1000 University Avenue
Rochester, New York 14692
(716) 473-1000

Officers: Alfred J. Murrer, chairman of the board; Karl F. Fuchs, vice chairman; James S. Gleason, president & chief executive officer; Hans E. Liebert, senior v.p.; Walter E. Andrus, v.p.-industrial & public relations; Joel E. Kocen, v.p.-finance & treasurer; Gunter P. Borrosch, v.p.-marketing; Morton A. Polster, secretary & corporate counsel; Ralph E. Harper, asst. secretary & asst. corporate counsel.

Directors: Alfred J. Murrer, chairman; Walter E. Andrus, Julian W. Atwater, Robert W. Bjork, Karl F. Fuchs, James S. Gleason, Thomas H. Gosnell, Alexander D. Hargrave, Edward W. Keck, Albert W. Moore, Roland A. Paul, Robert A. Sherman, Eugene Van Voorhis.

Areas of Work: Produces a line of precision machines and associated tooling to customer specifications and needs. Provides equipment and technology for the production of bevel gears, Curvic couplings, automated machining and testing systems and other components for mechanical power transmission systems. Also performs contract manufacturing of parts and sub-assemblies, molds, dies and fresnel lenses for a variety of industrial customers.

Divisions and Subsidiaries:

Alliance Tool Corporation
Rochester, New York

Gleason Machine Division
Rochester, New York

Gleason Works, S.A.
Bandour, Belgium

Gleason Works Ltd.
Plymouth, England

Gleason Stuttgart
Stuttgart, Germany

Gleason Precision Forming, Inc.
Oxford, Michigan

Pennsylvania Pressed Metals, Inc.
Emporium, Pennsylvania

Transfer Agent(s):

Lincoln First Bank of Rochester
Rochester, New York 14603

Stock Exchange(s): New York

Ticker Symbol: GLE

Number of Employees:

1981	4,600	1978	3,300
1980	4,800	1977	3,100
1979	4,800		

Plant Footage:

1981	2,264,500 sq. ft.	1978	1,230,100
1980	1,695,000	1977	1,230,100
1979	1,695,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 239,936,000	$ 8,892,000
1980	242,640,000	16,327,000
1979	217,065,000	19,572,000
1978	190,628,000	16,354,000
1977	150,720,000	13,845,000

	No. of Com. Shares	Earn. per Share #†
1981	5,205,415	$ 1.72
1980	5,007,415	3.26
1979	5,007,415	3.91
1978	5,007,415	3.27

# Based on average number of shares outstanding.
† Including extraordinary gains of $708,000 ($0.14 per share) in 1978 and $2,098,000 in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.80	—	—
1979	0.80	—	—
1978	0.60	—	—
1977	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 110,970,000	$ 21.32
1980	105,128,000	20.99
1979	92,807,000	18.53
1978	77,241,000	15.43

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 239,936,000	$ 242,640,000
Cost of sales	177,540,000	171,497,000
Expenses	49,471,000	45,751,000
Interest expense	2,234,000	1,908,000
Other income	(1,420,000)	(1,063,000)
Effect of foreign curr. fluctuations	(1,205,000)	(804,000)
Minority interest	530,000	198,000
Income before taxes	$ 12,786,000	$ 25,153,000
Income taxes	3,894,000	8,826,000
Net Income	$ 8,892,000	$ 16,327,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,703,000 in 1981 and $7,875,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,612,000	$ 4,382,000
Marketable securities	935,000	247,000
Accts. receiv., net	51,558,000	59,582,000
*Inventories	37,518,000	42,078,000
Prepaid expenses	2,793,000	2,330,000
Current Assets	$ 95,416,000	$ 108,619,000
#Fixed assets	85,287,000	73,124,000
Other assets & defer. charges	10,691,000	3,171,000
Total Assets	$ 191,394,000	$ 184,914,000

Liabilities

	1981	1980
Notes payable	$ 8,474,000	$ 737,000
Long-term debt, curr.	3,781,000	3,605,000
Accts. payable	15,434,000	16,604,000
Accruals	19,892,000	20,777,000
Income taxes	3,800,000	8,442,000
Curr. Liabilities	$ 51,381,000	$ 50,165,000
Long-term debt	19,290,000	24,985,000
Deferred inc. taxes	4,691,000	3,127,000
Oblig. to purch. a patent	3,023,000	—
Minority interest	2,039,000	1,509,000
+Common stock	5,357,000	5,202,000
Add. paid-in capital	6,069,000	1,968,000
Retained earnings	102,975,000	98,153,000
Oblig. to deliver comm. stock	(3,023,000)	—
Treasury stock	(435,000)	(195,000)
Total Liabilities & Shareholders' Equity	$ 191,394,000	$ 184,914,000

* At cost (LIFO) which is less than current market value for parent co. Subsidiaries are at lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.33	10.37
%Net Income to Sales	3.71	6.73
%Net Income to Equity	8.01	15.53
Sales to Inventories	6.40	5.77
Working Capital	$ 44,035,000	$ 58,454,000
Current Ratio	1.86	2.17
Shareholders' Equity	$110,970,000	$105,128,000

The Goodyear Tire & Rubber Company

Akron, Ohio 44316
(216) 794-2121

Officers: Charles J. Pilliod Jr., chairman of the board & chief executive officer; Robert E. Mercer, president & chief operating officer; Tom H. Barrett, J. Robert Hicks, Jacques R. Sardas, Ib Thomsen, group executive v.p.'s; Thomas F. Minter, Scott H. Buzby, Westi Hansen, Wendell L. Minor, F. Vincent Prus, executive v.p.'s; V. Lawrence Petersen, John P. Kelley, Charles A. Bethel, Stanley J. Mihelick, Joseph C. Graden, Carl E. Snyder, William L. Newkirk, Robert W. Milk, Frederick J. Kovac, William R. Miller, Frank R. Tully, Hoyt M. Wells, Robert M. Hehir, John F. Fiedler, Douglas F. Hill, v.p.'s; Frederick S. Myers, v.p., general counsel & secretary; Donald R. Kronenberger, v.p. & treasurer; G. Alexander Sampson, v.p. & comptroller; Bennett H. Shaver, Thomas E. Wightman, Richard W. Tuley, asst. treasurers; Richard E. Barnett, John Davies, John M. Ross, asst. secretaries; Robert B. Scharlotte, James E. MacDonald, Robert M. Gossett, Arnold D. Holt, asst. comptrollers.

Directors: Robert H. Platt*, Lloyd B. Smith*, Philip O. Geier Jr., Edwin D. Dodd*, Romulo O'Farrell, Jr., H. Guyford Stever, Jacques R. Sardas, Thomas F. Minter, Ib Thomsen, Charles J. Pilliod, Jr.*, Robert E. Mercer*, Gertrude G. Michelson, W. Howard Fort*, Lewis W. Foy, William C. Turner, J. Robert Hicks*, Tom H. Barrett.

*Member of Executive Committee.

Areas of Work: The company's electronic activities are conducted by its subsidiary, Goodyear Aerospace Corporation. Products include uranium enrichment centrifuge manufacturing for nuclear power applications, weapons systems which utilize miniaturized digital computers and micro-processors for underseas warfare as well as missile guidance. Also involved in the improvement of existing airborne radar systems and the manufacture of a radar recording device for use in NASA's space shuttle program.

Electronic Subsidiary:

Goodyear Aerospace Corporation
1210 Massillon Road
Akron, Ohio 44306
(216) 796-2121

Transfer Agent(s):

National City Bank
1900 East Ninth Street
Cleveland, Ohio 44114

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GT

Number of Employees:

1981	137,982	1978	154,013
1980	144,452	1977	152,890
1979	154,061		

Sales and Earnings

	Net Sales (000's)	Net Income + (000's)
1981	$ 9,152,900	$ 243,911
1980	8,444,000	206,711
1979	8,238,676	146,184
1978	7,489,102	226,127
1977	6,627,818	205,781

	No. of Com. Shares	Earn. per Share ‡+
1981	72,070,748	$ 3.59
1980	71,761,086	3.18
1979	71,860,906	2.02
1978	71,534,995	3.12
1977	71,466,328	2.85

+ Including extraordidnary credit of $16,400,000 ($0.23 per share) in 1981 and $23,978,000 ($0.33 per share) in 1980.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
New tires & tubes	$ 6,241,200	$ 5,710,400
Related transportation products	1,325,600	1,305,200
Industrial rubber, chem. & plast. prod.	1,061,600	997,600
Other prod. & svcs.	524,500	430,800
Total	$ 9,152,900	$ 8,444,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.30	—	—
1980	1.30	—	—
1979	1.30	—	—
1978	1.30	—	—
1977	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 2,375,433	$ 32.96
1980	2,302,500	32.09
1979	2,163,350	30.18
1978	2,108,159	29.47
1977	1,973,854	27.62

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 9,152,905	$ 8,444,015
Other income	44,582	54,102
Total income	$ 9,197,487	$ 8,498,117
Cost of sales	7,159,808	6,654,066
Expenses	1,295,398	1,263,913
Minority interest	12,847	11,089
Interest expense	229,540	226,847
For curr. trans loss	20,258	7,429
Plant closures	—	(16,764)
Income before taxes	$ 479,636	$ 351,537
Income taxes	235,741	144,826
Net Income	$ 243,895	$ 206,711
Extraordinary credit	16,400	23,978
Net Income & Extraordinary Credit	$ 260,295	$ 230,689

* Included in Costs and Expenses, Depreciation: $232,916,000 in 1981 and $228,943,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 71,929	$ 67,823
Accts. & notes receiv., net	1,204,188	1,144,043
*Inventories	1,514,370	1,582,213
Prepaid expenses	66,707	62,052
Current Assets	$ 2,857,194	$ 2,856,131
Investments	216,661	215,029
#Fixed assets	2,264,258	2,277,851
Defer. charges	16,146	19,290
Total Assets	$ 5,354,259	$ 5,368,301

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 13,761	$ 35,642
Accts. payable	906,514	913,344
Income taxes	298,162	283,582
Short-term debt	111,679	147,109
Curr. Liabilities	$ 1,330,116	$ 1,379,677
Long-term debt	994,878	1,063,353
Long-term cap. lease oblig.	162,852	177,287
Other liabilities	221,433	176,607
Minority interest	66,051	65,880
Deferred inc. taxes	203,496	202,997
+Common stock	58,116	57,807
Add. paid-in capital	230,574	225,062
Retained earnings	2,186,512	2,019,631
Foreign Currency trans. adj.	(99,769)	—
Total Liabilities & Shareholders' Equity	$ 5,354,259	$ 5,368,301

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.24	4.16
%Net Income to Sales	2.66	2.45
%Net Income to Equity	10.27	8.98
Sales to Inventories	6.04	5.34
Working Capital	$1,527,078,000	$1,476,454,000
Current Ratio	2.15	2.07
Shareholders' Equity	$1,375,433,000	$2,302,500,000

Gould Inc.

10 Gould Center
Rolling Meadows, Illinois 60008
(312) 640-4000

Officers: William T. Ylvisaker, chairman of the board & chief executive officer; David Simpson, president & chief operating officer; George P. Millington, Jr., vice chairman and chief administrative officer; Robert H. Pry, executive v.p.-research and development; John A. Blaeser, group v.p.-electronic systems; Harry A. Canter, group v.p.-electrical products; Stanley N. Gaines, group v.p.-battery; Lee N. Mortenson, group v.p.-electronic products; Henry J. Peppers, group v.p.-defense systems; Charles M. Brennan, III, sr. v.p.-finance; J. Richard Iverson, sr. v.p.-government marketing; Richard L. Williams III, sr. v.p.-administration & general counsel; Stanley N. Gaines, sr. v.p.-marketing; Glenn E. Penisten, v.p., chairman & chief exec. officer-American Microsystems, Inc.; Richard D. Kemplin, v.p.-corp. relations; Nancy R. Jack, corporate secretary; Anthony J. Sabatino, v.p.-technology, Electrical Products Group; Thomas L. Swint, v.p.-controller; George W. Welsh, v.p.-corporate development.

Directors: Roy D. Chapin, Jr.; Daniel J. Donahue, W. John Driscoll, Howard M. Love, George P. Millington, Jr.; William C. Musham, Donald W. Nyrop, Keith R. Potter, Louis H. Roddis, Jr.; John P. Schroeder, David Simpson, A.A. Sommer, Jr.; Lyman E. Wakefield, Jr.; William T. Ylvisaker, chairman; Richard J. Hanschen, Patrick G. Ryan.

Areas of Work: Operating segments include: electronic components-manufactures copper foil used in printed circuits, uninterruptible power systems, AC line conditioners, super isolation transformers, DC/AC static inverters, digital minicomputers; medical products-produces blood pressure transducers and disposable accessories, and computerized pulmonary diagnostic systems; government systems-manufactures torpedoes, training and simulation equipment; electrical products-produces vehicular electrical systems, electric motors, fuses, programmable controllers, logic analyzers, digital oscilloscopes, direct writing recorders and electrostatic recorders; battery products-manufactures automotive, truck, marine and recreational vehicle starting batteries, industrial batteries for lift trucks, mine vehicles, submarines, railroads, and the utility industry, zinc-air batteries, drycell batteries, nickel-cadmium batteries and gelyte batteries; industrial products-produces bearings, pistons and sleeves, hydraulic hoses, suspension equipment for trucks, and bushings.

Divisions and Subsidiaries:

Automotive Battery Division
P.O. Box 3240
St. Paul, Minnesota 55165
(612) 452-1500

Advanced Development Division
18901 Euclid Avenue
Cleveland, Ohio 44117
(216) 486-8300

Allied Control Division
100 Relay Road
Plantsville, Connecticut 06479
(203) 628-9654

Engine Parts Division
17000 St. Clair Avenue
Cleveland, Ohio 44110
(216) 481-7221

Gould Laboratories
Electrical & Electronic Research
40 Gould Center
Rolling Meadows, Illinois 60008
(312) 539-3464

New Business Division
Actuator Systems
4399 Industrial Parkway
Willoughby, Ohio 44094
(216) 946-3434

New Business Division
Emission Control Systems
540 East 105th Street
Cleveland, Ohio 44108
(216) 851-5500

New Business Division
Electric Vehicle Power
Systems/Vehicular Electronics

Gould Inc.

86 Cambridge Street
Burlington, Massachusetts 01803
(617) 273-1200

Portable Battery Division
931 North Vandalia Street
St. Paul, Minnesota
(612) 452-1500

Statham Instruments Division
2230 Statham Blvd.
Oxnard, California 93030
(805) 487-8511

Century Electric Division
1831 Chestnut Street
St. Louis, Missouri 63103
(314) 342-2500

Elastomer Products Division
Lockwood Road
Milan, Ohio 44846
(419) 499-2541

Electric Motor Division
6393 Coffeen Street
Watertown, New York 13601
(315) 788-5530

Chesapeake Instrument Division
6711 Baymeadow Drive
Glen Burnie, Maryland 21061
(301) 760-3100

Foil Division
17000 St. Clair Avenue
Cleveland, Ohio 44110
(216) 481-7200

Gould Laboratories
Energy Research
P.O. Box 3140
St. Paul, Minnesota 55165
(612) 452-1500

Gould Labs-Material Research
540 East 105th Street
Cleveland, Ohio 44108
(216) 851-5500

Heating Element Division
500 Gould Drive
Cookeville, Tennessee 38501
(615) 858-2111

Industrial Battery Division
467 Calhoun Street
Trenton, New Jersey 08607
(609) 392-3111

Instrument Systems Division
3731 Perkins Avenue
Cleveland, Ohio 44114
(216) 361-3315

Systems Support Division
18901 Euclid Avenue
Cleveland, Ohio 44117
(216) 486-8300

Axios Industria Mecanica, Ltda.
Sao Paulo, Brazil

Clevite de Mexico, S.A. de C.V.
Naucalpan, Mexico

Clevite Service Europe
Antwerp, Belgium

Electronica International de Baja California, S.A.
Tijuana, Mexico

Metals Division
P.O. Box 3484
St. Paul, Minnesota 55165
(612) 452-1500

Oceans Systems Division
18901 Euclid Avenue
Cleveland, Ohio 44117
(216) 486-8300

Plastics Division
4044 North 31st Street
Milwaukee, Wisconsin 53126
(414) 445-5555

Powder Metal Products Division
P.O. Box 312, Becks Mill Road
Salem, Indiana 47167
(812) 883-3381

Gould Europe Advance Electronics Ltd.
Roebuck Road
Hainault, Essex
England

Gould Asia-Pacific, Ltd.
Kowa Building No. 16
9-20 Akasaka 1-chome
Minato-ku, Tokyo 107 Japan

Gould Clevite Italia, S.p.A.
Gardolo di Trento, Italy

Gould Contardo
Madrid, Spain
Milan, Italy
Mysen, Norway

Gould Distributions, Ltd.
St. Thomas, Ontario, Canada

Gould Europe, S.A.
Chaussee de la Hulpe 185
B-1170 Brussels, Belgium

Gould Foils Ltd.
Thornhill, Southhampton, England

Gould Mfg. of Canada, Ltd.
Burgess Division
445 Buttrey Street
Niagara Falls, Ontario, Canada
(416) 354-1671

Gould Mfg. of Canada Ltd.
Industrial Battery Division
275 Lewis Street
Ft. Erie, Ontario, Canada
(416) 871-5600

Gould Mfg. of Canada Ltd.
Mechanical Products Division
1177 Talbot Street
St. Thomas, Ontario, Canada
(519) 631-4880

Gould Metall G.m.b.H.
Haupstrasse 3
7831 Eichstetten
West Germany

Gould/Deltec Corporation
San Diego, California
Develops and manufactures uninterruptible power systems and other power conversion equipment.

Gould Simulation Systems Division
50 Marcus Drive
Melville, New York 11747
(516) 454-6300
Manufactures training and simulation equipment.

Advanced Systems Division
10 Gould Center
Rolling Meadows, Illinois 60008
(312) 640-4000
Develops long-term, government-sponsored advanced technology programs.

I-T-E Imperial Corporation
Spring House, Pennsylvania
Manufactures equipment for the transmission, distribution, conservation and control of electrical energy and of components to convey, connect and control fluid energy.

R. B. Denison
Bedford, Ohio
Manufactures industrial limit switches and sensors.

Modicon Corporation
Andover, Massachusetts
Designs and manufactures programmable controllers.

Hoffman Electronics Corporation
El Monte, California
A producer of avionic systems and audiovisual educational equipment.

Bio-Mation Corporation
Santa Clara, California
Produces transient recorders and digital logic analyzers used in the maintenance and testing of electronic products.

Systems Engineering Laboratories, Inc.
Fort Lauderdale, Florida
(305) 587-2900
Produces digital minicomputers for research, industrial process and control, for generation and distribution of electrical power, and for exploration and development of new fuel and energy sources.

Taylor Electric, Inc.
2410 Highway 281 North
Marble Falls, Texas 78654
(512) 693-3522
Produces segmented fuse holders, wiring ducts, and power distribution blocks.

SRL Medical, Inc.
4676 Indian Ripple Road
Dayton, Ohio 45440
(513) 426-0033
Designs and manufactures computerized pulmonary diagnostic systems.

Gettys Manufacturing Company
2701 North Green Bay Road
Racine, Wisconsin 53404
(414) 637-6591
Manufactures and distributes high performance motion control systems.

Transfer Agent(s):
Morgan Guaranty Trust of New York
23 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Midwest

Ticker Symbol: GLD

Number of Employees:

1981	28,776	1978	26,291
1980	27,129	1977	24,805
1979	26,689		

Sales and Earnings †

	Net Sales + (000's)	Net Income (000's)
1981	$ 1,846,100	$ 95,700
1980	1,611,700	74,100
1979	1,527,300	108,300
1978	1,294,200	106,200
1977	1,027,900	95,600

	No. of Com. Shares	Earn. per Share ‡
1981	35,163,000	$ 2.68
1980	34,618,000	2.15
1979	33,698,000	3.21
1978	33,080,000	3.26
1977	29,868,000	3.10

† Restated to reflect change in accounting method to comply with FASB Statements No. 43 and 52 concerning compensated absences and foreign currency translations.
+ Of continuing operations only.
‡ Based on weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Electrical prods.	$ 560,700	$ 471,000
Electronic prods.	842,400	693,700
Battery prods.	431,400	435,300
General corporate	11,600	11,700
Total	$ 1,846,500	$ 1,611,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.72	—	—
1980	1.72	—	—
1979	1.66	—	—
1978	1.48	—	—
1977	1.24	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$ 809,400,100	$ 23.02
1980	801,700,000	23.16
1979	771,600,000	22.90
1978	702,500,000	21.24

† Restated.
‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,846,100	$ 1,611,700
Other income	11,200	16,200
Equity income	14,000	8,000
Revenues	$ 1,871,300	$ 1,635,900
Cost of sales	1,239,300	1,147,300
Expenses	476,600	379,000
Interest expense	26,600	14,400
Other expenses	1,400	1,800
Income before taxes	$ 127,400	$ 93,400
Income taxes	41,000	34,200
Inc.-cont. oper.	$ 86,400	$ 59,200
Inc.-discont. oper.	9,300	14,900
Net Income	$ 95,700	$ 74,100

* Included in Costs and Expenses, Depreciation: $60,900,000 in 1981 and $52,300,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & marketable secur.	$ 85,000	$ 5,100
Assets of discont. oper.	57,500	339,100
Accts. receiv., net	344,500	270,700
* Inventories	332,100	288,300
Other assets	71,400	52,500
Current Assets	$ 890,500	$ 955,700
Investments & other assets	145,000	132,200
# Fixed assets	496,300	419,700
Intangibles	66,000	38,500
Total Assets	$ 1,597,800	$ 1,546,100

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 29,700	$ 43,500
Accts. payable	166,000	150,600
Accrued payroll	46,400	36,900
Accruals	85,700	83,200
Income taxes	67,100	26,000
Curr. Liabilities	$ 394,900	$ 340,200
Long-term debt	345,800	368,000
Deferred credits	11,300	11,000
Deferred inc. taxes	36,200	25,000
+ Preferred stock	200	200
+ + Common stock	144,200	138,500
Add. paid-in capital	184,000	192,500
Retained earnings	511,600	469,400
Treasury stock	(21,500)	(100)
Trans. adjust.	(8,900)	1,400
Total Liabilities & Shareholders' Equity	$ 1,597,800	$ 1,546,100

‡ Restated.
* At lower of cost or market. Substantially all domestic inventories at LIFO, remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.
+ + $4 par value.

Statistical Summary

%Net Income to Equity	11.82	9.24
Sales to Inventories	5.56	5.59
Working Capital	$495,600,000	$615,500,000
Current Ratio	2.26	2.81
Shareholders' Equity	$809,600,000	$801,900,000

Granger Associates

3101 Scott Boulevard
Santa Clara, California 95051
(408) 727-3101

Officers: Q.T. Wiles, chairman of the board & chief executive officer; W. Dan Rasdal, executive v.p.-operations; Oscar Z. Hercs, exec. v.p.; Glenn Satterthwaite, Rick Green, Robert Z. Huebner, Paul Risinger, James D. Hood, v.p.'s.

Directors: Johan F. Blokker, William R. Hambrecht, Allen M. Peterson, Dan Rasdal, Q.T. Wiles.

Areas of Work: Designs, manufactures and sells electronic communications equipment for applications in frequency ranges between high-frequency and microwave. Products include radio transmitters and receivers, multiplex equipment, antennas, multicouplers, transformers and a variety of special accessories.

Subsidiaries:

Granger Associates Limited
1 Brooklands Road
Weybridge, Surrey, England

Transfer Agent(s):

Crocker National Bank
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American & Pacific

Ticker Symbol: GRG

Number of Employees:

1980	382	1977	460
1979	439	1976	390
1978	462		

Plant Footage:

1981	200,000 sq. ft.	1978	200,000
1980	200,000	1977	135,800
1979	200,000		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 35,641,208	$ 3,648,605
1980	20,639,376	(4,350,680)
1979	20,251,130	(4,230,907)
1978	22,652,667	929,560
1977	17,391,083	1,070,609

	No. of Com. Shares	Ear. per Shares + #
1981	944,807	$ 1.80
1980	891,435	—
1979	865,429	—
1978	850,636	1.07
1977	828,746	1.33

(Loss)
Including extraordinary gain of $1,324,246 ($0.65 per share) in 1981.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 3,487,837	$ 3.69
1980	(717,784)	—
1979	3,433,366	3.97
1978	7,515,703	8.84
1977	6,416,372	7.74

(Deficiency)
‡ After allowing for preferred stock at stated value.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 35,641,208	$ 20,639,376
Cost of sales	18,987,783	15,009,201
Expenses	11,609,453	8,897,528
Interest expense	1,141,647	1,083,327
Income (loss) before taxes	$ 3,902,325	$ (4,350,680)
Income taxes	1,577,966	—
Net Income (Loss)	$ 2,343,359	$ (4,350,680)
Extraord. gain	1,324,246	—
Net Income (Loss) & Extraord. Gain	$ 3,648,605	$ (4,350,680)

*Included in Costs and Expenses, Depreciation and Amortization: $630,241, in 1981 and $554,850 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 1,274,863	$ 214,767
Long-term debt, curr.	215,846	162,513
Accts. & notes receiv. net	5,087,547	5,118,066
*Inventories	11,733,823	10,306,332
Prepaid expenses	762,929	544,581
Current Assets	$ 19,075,008	$ 16,346,259
# Fixed assets	2,770,988	2,515,797
Other assets	1,396,628	235,227
Long-term notes receiv.	693,931	794,751
Total Assets	$ 23,936,555	$ 19,892,034

Liabilities

Notes payable	$ 1,953,000	$ 3,300,000
Long-term debt, curr.	411,232	393,476
Accts. payable	1,841,445	1,864,227
Contract advances	2,338,692	686,916
Def. inc. taxes	137,436	—
Other liabilities	1,665,175	2,357,294
Curr. Liabilities	$ 8,346,980	$ 8,601,913
Long-term debt	4,000,000	4,000,000
Cap. lease oblig.	1,039,030	1,155,455
Accrued severance pay	122,644	139,388
Deferred interest	267,339	40,337
Preferred stock	6,672,725	6,672,725
Common stock	4,175,145	3,575,475
Retained earnings (deficit)	(687,308)	(4,293,259)
Total Liabilities & Shareholders' Equity	$ 23,936,555	$ 19,892,034

*At lower of average cost or market.
# Less accumulated depreciation and amortization.

Statistical Summary

%Income bef. Taxes to Sales	10.95	—
%Net Income to Sales	6.57	—
%Net Income to Equity	23.06	—
Sales to Inventories	3.04	2.00
Working Capital	$10,728,[illegible]	$7,744,346
Current Ratio	2.29	1.90
Shareholders' Equity	$10,160,562	$5,954,941

Graphic Scanning Corp.

329 Alfred Avenue
Teaneck, New Jersey 07666
(201) 837-5100

Officers: Barry Yampol, chairman of the board & president; William S. Wheatley, Jr., sr. v.p., treasurer & chief financial officer; Edward R. Busch, v.p., secretary & general counsel; Alfred K. Ganschow, v.p. - operations; Richard Sherwin, v.p. - marketing; Robert Slodowitz, v.p. - corporate & financial development; Ronald P. Vicari, v.p. - engineering.

Directors: Barry Yampol, chairman; Frederick Galland, Nathan Bellow.

Business Activities: The Company provides specialized data and message processing and record and data communications services; operates radio paging, two-way mobile radio telephone and other related services; and sells communications systems and related devices. Through its 76% owned subsidiary, Switchco, Inc., the Company is engaged in the design, development and manufacture of complex, computer-based, software and hardware controlled communications switching systems.

Transfer Agent(s):

Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GSCC (NASDAQ)

Number of Employees:

1981 1,520

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 65,018,000	$ 12,391,000
1980	43,268,000	2,019,000
1979	27,985,000	2,201,000
1978	20,895,000	2,332,000
1977	15,939,000	2,264,000

	No. of Com. Shares	Earn. per Share ‡ #
1981	5,698,942	$ 2.13
1980	5,129,106	0.40
1979	4,937,001	0.45
1978	4,937,001	0.47

‡ Including extraordinary gain of $55,000 ($0.01 per share) in 1978 and $269,000 in 1977.

# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 51,664,944	$ 9.07
1980	30,093,215	5.87
1979	26,318,157	5.33
1978	24,117,223	4.88

Income Account

Year ended June 30	1981	1980
Net sales & services	$ 60,891,027	$ 41,577,610
Other income	4,127,332	1,690,835
Total income	$ 65,018,359	$ 43,268,445
Cost of sales	33,735,638	22,037,770
Expenses	15,288,032	13,184,848
Depreciation & amortization	5,754,004	3,816,576
Interest expense	3,405,478	1,485,543
Gain on sale of div	(10,500,583)	—
Income before taxes	$ 17,435,790	$ 2,743,708
Income taxes	5,045,000	724,364
Net Income	$ 12,390,790	$ 2,019,344

Assets

As of June 30	1981	1980
Cash	$ 8,471,154	$ 7,128,807
Comm. paper	8,981,700	18,400,444
Marketable securities	8,060,702	1,966,334
Accts. rec., net	6,231,306	10,420,448
Other current assets	1,436,403	759,243
Current Assets	$ 33,181,265	$ 38,675,276
Notes receivable	2,364,865	—
Intangibles	8,477,245	8,737,354
Deferred exp.	6,101,231	3,615,283
# Fixed assets	37,426,058	22,652,140
Other assets	3,522,536	1,210,495
Total Assets	$ 91,073,200	$ 74,890,548

Liabilities

Long-term debt, curr.	$ 4,482,783	$ 3,178,987
Drafts auth. and outstanding	—	3,769,877
Accts. payable and accruals	6,642,451	5,294,023
Income taxes	1,467,740	209,060
Curr. Liabilities	$ 12,592,974	$ 12,451,947
Long-term debt	21,849,979	30,722,083
Deferred inc. taxes	4,965,303	1,623,303
+ Common stock	59,287	53,589
Add. paid-in capital	30,771,976	21,596,735
Retained earnings	21,691,261	9,300,471
Treasury stock	(857,580)	(857,580)
Total Liabilities & Shareholders' Equity	$ 91,073,200	$ 74,890,548

Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	28.63	6.60
% Net Income to Sales	20.35	4.86
%Net Income to Equity	23.98	6.71
Working Capital	$20,588,291	$26,223,329
Current Ratio	2.63	3.11
Shareholders' Equity	$51,664,944	$30,093,215

Groman Corporation

54530 County Road 17
Elkhart, Indiana 46516
(219) 295-2466

Officers: Paul G. Richards, president & chief exec. officer; D. Wayne Mackeben, v.p.-finance & secretary; Donald J. Ciancio, corp. controller & asst. secretary.

Directors: George B. Pletsch*, Paul G. Richards*, Horace N. Rowe, Gordon Paul Smith*, D. Wayne Mackeben.

*Member of the Executive Committee.

Divisions and Subsidiaries:

Porcelain Products Co.
225 North Patterson Street
Carey, Ohio 43316
(419) 396-7621

Manufactures wet and dry process electrical porcelain and transformer components, and markets pole line hardware.

Rowe Industries Division
6225 Benore Road
Toledo, Ohio 43612
(419) 729-9761

Manufactures high voltage connectors, corona free cable assemblies, and Hi-Temp wire.

Mid-American Electronics Corporation
11555 Packard Drive
Middlebury, Indiana 46540
(219) 825-9461

Manufactures wire harnesses, R.V. power supply cords, connector assemblies and flat conductors.

Electro-Cords Division
5949 Smithway Street
City of Commerce, California 90040
(213) 728-1700

Producer of cord sets, appliance cord, and wire harnesses.

Knox Porcelain Corporation
P.O. Box 4107
Knoxville, Tennessee 37921
(615) 523-8157

Manufactures wet and dry process electrical porcelain and transformer components.

Inca Plastics, Inc.
11555 Packard Drive
Middlebury, Indiana 46540
(219) 825-9461

Produces plastic tanks and custom molded plastic products by rotational casting and low molding techniques.

Transfer Agent(s):

American National Bank and Trust Company
of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GROM (NASDAQ)

Number of Employees:

1981 450

Plant Footage:

1981 . . . . . . 462,500 sq. ft.

Sales and Earnings

	Net Sales +	Net Income‡
1981	$ 24,981,000	$ 579,321
1980	22,663,000	89,493
1979	24,231,000	(300,637)
1978	27,017,000	49,828
1977	24,927,000	(1,167,000)

	No. of Com. Shares	Earn. per Share‡
1981	1,462,117	$ 0.39
1980	1,534,003	0.06
1979	1,581,249	—
1978	1,650,829	0.03
1977	1,671,739	—

(Loss)

+ Of continuing operations only.

‡Including extraordinary gain of $116,000 ($0.08 per share) in 1981.

Revenues By Line of Business

	1981	1980
Electrical porcelain prods.	$ 14,332,307	$ 12,930,354
Plastics	1,781,916	1,866,800
Electrical connectors	8,867,141	7,865,712
Total	$ 24,981,364	$ 22,662,866

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 6,809,731	$ 4.66
1980	6,350,727	4.14
1979	6,316,000	3.99
1978	6,391,000	3.87
1977	6,393,000	3.82

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 24,981,364	$ 22,662,866
Cost of sales	18,660,657	17,324,736
Expenses	5,374,065	4,842,800
Gain on purchase of debens.	(48,810)	(206,095)
Interest expense	340,388	577,325

Gain on plant clos.	(452,516)	(147,939)
Other income	(21,822)	(25,260)
Income before taxes	$ 420,321	$ 350,036
Income taxes (credit)	(43,000)	187,000
Income from cont. oper.	$ 463,321	$ 163,036
Loss from discont. oper.	—	(73,543)
Extraordinary credit	116,000	—
Net Income & Extraord. Credit	$ 579,321	$ 89,493

*Included in Costs and Expenses, Depreciation and Amortization: $757,140 in 1981 and $755,508 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 244,333	$ 235,310
Proc. of sale of United Steel Serv.	—	1,500,000
Accts. receiv., net	3,123,500	3,379,711
Long-term receiv., curr.	329,502	119,807
*Inventories	5,307,412	4,604,455
Deferred income taxes	469,000	138,000
Prepaid expenses	179,325	181,460
Current Assets	$ 9,653,072	$ 9,618,743
#Fixed assets	5,674,403	5,629,462
Other assets	1,258,331	1,598,737
Total Assets	$ 16,585,806	$ 16,846,942

Liabilities

Notes payable	$ —	$ 1,500,000
Long-term debt, curr.	550,855	419,265
Accts. payable	2,082,464	1,130,506
Accruals	623,526	485,969
Emp. compens. & commissions	579,444	524,881
Loss on dispos. of div.	646,750	247,423
Income taxes	122,122	223,607
Curr. Liabilities	$ 4,605,161	$ 4,531,651
Long-term debt	4,948,914	5,611,564
Deferred inc. taxes	222,000	353,000
+Common stock	1,683,949	1,683,949
Add. paid-in capital	1,447,124	1,447,545
Retained earnings	4,134,988	3,555,667
Treasury stock	(456,330)	(336,434)
Total Liabilities & Shareholders' Equity	$ 16,585,806	$ 16,846,942

*At lower of cost (FIFO & LIFO) or market.
#Less accumulated depreciation.
+$1 par value.

Statistical Summary

%Net Income to Equity	8.51	1.41
Sales to Inventories	4.71	5.58
Working Capital	$5,047,911	$5,087,092
Current Ratio	2.10	2.12
Shareholders' Equity	$6,809,731	$6,350,727

Grumman Corporation

1111 Stewart Avenue
Bethpage, New York 11714
(516) 575-0574

Officers: John C. Bierwirth, chairman of the board; Joseph G. Gavin, Jr., president; John F. Carr, vice chairman of the board; Robert G. Freese, sr. v.p.-finance and treasurer; George L. Brown, v.p.; Nat P. Busi, v.p. and controller; John J. Carroll, v.p.-community relations; Howard J. Dunn, Jr., v.p.-audit; Thomas L. Genovese, v.p. and general counsel; Weyman B. Jones, v.p.-public affairs; Rolf J. Larsen, Gordon H. Ochenrider, v.p.'s; Ronald B. Peterson, v.p.-corporate development; Robert W. Bradshaw, secretary; Edward B. Jacobs, William R. Parmentier, Jr., William Wachino, Jr., asst. treasurers; John E. Galligan, Lloyd L. Lee, asst. secretaries.

Directors: John C. Bierwirth, chairman, E. Clinton Towl, Kenneth S. Axelson, Ellis L. Phillips, Jr., George M. Skurla, Archie E. Albright, C. Clyde Ferguson, Jr., Leroy R. Grumman, Joseph G. Gavin, Jr., John F. Carr, Robert G. Freese, James A. Linen, Lucy W. Benson, John T. Sargent.

Areas of Work: Manufactures military aircraft, spacecraft, boats and truck bodies, fire apparatus, buses, and solar and wind energy systems. Also provides services in the field of computer programming.

Subsidiaries:

Grumman Aerospace Corporation
South Oyster Bay Road
Bethpage, New York 11714

Grumman Allied Industries, Inc.
445 Broad Hollow Road
Melville, New York 11747
(516) 454-8400

Grumman Data Systems Corporation
1111 Stewart Avenue
Bethpage, New York 11714

Grumman International Company
1111 Stewart Avenue
Bethpage, New York 11714

Paumanock Development Corporation
1111 Stewart Avenue
Bethpage, New York 11714

Grumman Credit Corporation
1111 Stewart Avenue
Bethpage, New York 11714

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Phila-Balt-Wash, Boston

Ticker Symbol: GQ

Number of Employees:

1981	28,600	1978	26,400
1980	27,800	1977	27,000
1979	27,900		

Plant Footage:

1980	10,200,000 sq.ft.	1977	9,735,000
1979	10,200,000	1976	9,267,676
1978	9,735,000		

Sales and Earnings

	Net Sales *	Net Income
1981	$1,949,393,000	$ 20,486,000
1980	1,759,299,000	30,668,000
1979	1,492,918,000	19,571,272
1978	1,468,159,000	19,969,170
1977	1,409,714,000	32,396,577

	No. of Com. Shares ‡	Earn. per Share #
1981	10,378,485	$ 1.45
1980	10,070,773	2.35
1979	8,727,433	2.06
1978	8,475,782	2.43
1977	8,095,201	4.04

* Including other income; of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.
‡ Adjusted to reflect stock dividend.

Revenues By Line of Business
(000's)

	1981	1980
Aircraft and space	$ 1,541,243	$ 1,293,250
Special vehicles	259,233	284,828
Energy	16,744	23,733
Services and other	221,279	230,596
Intersegment elim.	(92,106)	(73,108)
Total	$ 1,949,393	$ 1,759,299

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.25	—	—
1979	1.20	—	—
1978	1.15	—	—
1977	0.95	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 271,638,000	$ 26.17
1980	266,201,000	26.54
1979	226,079,000	25.90
1978	213,397,619	25.18
1977	195,726,609	24.18

‡ After allowing for non-redeemable preferred stock at stated value.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$1,915,529,000	$1,729,337,000
Other income	33,864,000	29,962,000
Total income	$1,949,393,000	$1,759,299,000
Cost of sales	1,761,701,000	1,580,214,000
Expenses	154,706,000	125,417,000
Income before taxes	$ 32,986,000	$ 53,668,000
Income taxes	12,500,000	23,000,000
Net Income	$ 20,486,000	$ 30,668,000

* Included in Costs and Expenses, Depreciation and Amortization: $24,434,000 in 1981 and $22,892,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 17,561,000	$ 10,937,000
Cert. of deposit	48,931,000	44,690,000
Accts. receiv., net	251,682,000	226,661,000
*Inventories	538,188,000	421,970,000
Prepaid expenses	7,139,000	7,504,000
Current Asset	$ 863,501,000	$ 711,762,000
Contracts receiv.	28,911,000	28,594,000
Investment	3,728,000	7,500,000
#Fixed assets	156,429,000	136,226,000
Other assets & defer. charges	20,751,000	22,230,000
Total Assets	$1,073,320,000	$ 906,312,000

Liabilities

Long-term debt, curr.	$ 10,378,000	$ 8,912,000
Accts. payable	67,174,000	89,730,000
Accruals	38,768,000	33,887,000
Prog. payments & customer deposits	30,628,000	26,999,000
Income taxes	2,125,000	3,662,000
Other liabilities	57,373,000	46,503,000
Curr. Liabilities	$ 206,446,000	$ 209,693,000
Long-term debt	373,798,000	231,502,000
Other liab. & minority interests	151,123,000	130,044,000
Preferred stock	50,160,000	50,180,000
Common stock	87,400,000	82,607,000
Retained earnings	184,238,000	183,594,000
Total Liabilities & Shareholders' Equity	$1,073,320,000	$ 906,312,000

* At lower of cost or realizable value.
# Less accumulated depreciation and amortization.

Statistical Summary

%Income bef. Taxes to Sales	1.72	3.10
%Net Income to Sales	1.07	1.77
%Net Income to Equity	7.54	11.51
Sales to Inventories	3.56	4.10
Working Capital	$657,055,000	$502,069,000
Current Ratio	4.18	3.39
Shareholders' Equity	$271,638,000	$266,201,000

GTI Corporation

10060 Willow Creek Road
San Diego, California 92131
(714) 578-3111

Officers: James K. LaFleur, chairman of the board, president & chief exec. officer; John C. Brittain, v.p.-operations; Richard W. Cousins, v.p.; Stanley Burg, v.p.-marketing; Ronald Lott, v.p.-finance & secretary-treasurer; Richard C. Roessler, corp. controller.

Directors: Edwin F. Schoetz, James K. LaFleur, Andre R. Horn, William S. Ivans, Alvin H. Wiseman, Jr.

Areas of Work: Engaged in the manufacture of parts, components and processing equipment primarily for the electronic, automotive, computer, appliance and electrical markets. Principal products: an automotive electronic interference filter, telephone call holding devices, precision cut, formed and welded metal and glass components, production process and component handling and feeding systems and both die stamped and etched flexible circuit boards.

Divisions:

Circuits Division
P.O. Box 217
Leesburg, Indiana 46538
(219) 453-3261

Manufactures die stamped printed circuits with its major markets being the automotive industry.

Electronics Division
R.D. 2, P.O. Box 96
Hadley, Pennsylvania 16130
(412) 253-3161

Produces a line of two and three piece welded leads and filaments, straight cut lead and rolled pins, intricate metal forms, headed and formed leads, semiconductor leads, wire welds, welded cap and assemblies and lamp leads.

Eagle Division
10060 Willow Creek Road
San Diego, California 92131
(714) 578-7085

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: GTI

Number of Employees:

1980	435	1977	529
1979	479	1976	634
1978	498		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 18,716,000	$ 891,000
1980	17,413,000	787,000
1979	16,869,000	1,500,393
1978	14,092,000	(601,748)
1977	13,871,000	34,911

	No. of Com. Shares	Earn. per Shares †‡
1981	3,037,837	$ 0.40
1980	2,154,337	0.37
1979	2,132,837	0.70
1978	2,120,872	—
1979	2,120,872	0.01

(Loss)
+ Of continuing operations only.
‡ Including extraordinary credit of $376,000 ($0.18 per share) in 1979.
† Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Metal, glass & electronic components	$ 11,543,000	$ 11,566,000
Circuit boards	5,459,000	3,993,000
Component processing equipment	1,605,000	1,854,000
Corporate	109,000	—
Total	$ 18,716,000	$ 17,413,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.12	—	—
1980	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 8,617,000	$ 2.84
1980	5,295,000	2.46
1979	4,730,929	2.22
1978	3,224,455 +	1.52
1977	3,843,543 +	1.81

+ After allowing for preferred stock at redemption value of $25 per share.

Income Account *

Year ended Dec. 31	1981	1980
Net revenues	$ 18,716,000	$ 17,413,000
Cost of revenues	13,166,000	12,568,000
Expenses	4,210,000	3,540,000
Other income	(262,000)	(90,000)
Interest expense	226,000	221,000
Interest income	(200,000)	(49,000)
Income before taxes	$ 1,576,000	$ 1,223,000
Income taxes	685,000	506,000
Income from cont. oper	$ 891,000	$ 717,000
Gain from discont. oper	—	70,000
Net Income	$ 891,000	$ 787,000

* Included in Costs and Expenses, Depreciation and Amortization: $573,000 in 1981 and $429,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,110,000	$ 1,010,000
Receiv. net	3,098,000	2,876,000
*Inventories	2,446,000	2,350,000
Prepaid expenses	430,000	97,000
Current Assets	$ 8,084,000	$ 6,333,000
Long-term market. secur.	2,000,000	—
#Fixed assets	2,965,000	3,174,000
Total Assets	$ 13,049,000	$ 9,507,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 46,000	$ 306,000
Accts. payable	1,154,000	936,000
Accruals	1,114,000	802,000
Adv. billings	676,000	—
Def. res. & devel. serv.	160,000	610,000
Accrued inc. taxes	214,000	261,000
Curr. Liabilities	$ 3,364,000	$ 2,915,000
Long-term debt	982,000	1,259,000
Deferred credit	106,000	38,000
+Common stock	122,000	86,000
Add. paid-in capital	7,073,000	4,392,000
Retained earnings	1,422,000	817,000
Total Liabilities & Shareholders' Equity	$ 13,049,000	$ 9,507,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.42	—
%Net Income to Sales	4.76	—
%Net Income to Equity	10.34	14.86
Sales to Inventories	7.65	7.41
Working Capital	$4,720,000	$3,418,000
Current Ratio	2.40	2.17
Shareholders' Equity	$8,617,000	$5,295,000

Gulf + Western Industries, Inc.

1 Gulf + Western Plaza
New York, New York 10023
(212) 333-7000

Officers: Charles G. Bluhdorn, chairman of the board; David N. Judelson, president; Martin S. Davis, Don F. Gaston, Lawrence E. Levinson, executive vice presidents; Norman R. Forson, senior vice president & treasurer; Robert L. Jones, senior vice president, secretary & resident counsel; James F. Pierce, senior vice president & controller; Neil J. Call, Gerald I. Rittholer, William M. Flatley, sr. vice presidents; Milton B. Hollander, v.p.-technology; Thomas E. Harrison, Jr., v.p.-patent counsel; Henry F. Kelleher, v.p.-employee relations; Alvaro L. Carta, Frank V. Rogers, George A. Longtin, James I. Speigel, v.p.'s-operations; Edgar W. Levin, v.p.-marketing planning; William A. Blodgett, Paul Duppee, George Yarbenet, Rolando Gonzalez-Bunster, vice presidents.

Directors: Charles G. Bluhdorn*, David N. Judelson*, John H. Duncan*, Martin S. Davis*, Don R. Gaston*, Judd Leighton, Francis S. Levien, Dan W. Maddox, T.H. Neyland, Donald Oresman, Irwin Schloss, Samuel J. Silberman, George A. Smathers, Harold U. Zerbe*, Gerald E. Miller*, Henry A. Walker, Jr., Peter G. Wray, Grace J. Fippinger, Lawrence E. Levinson*.

*Member of Executive Committee.

Areas of Work: Gulf + Western's 7 operating groups are: Automotive & Building Products; Financial Services; Natural Resources; Manufacturing; Leisure Time; Apparel and Home Furnishings; Consumer and Agricultural Products.

Operating Groups & Subsidiaries:

Manufacturing Group

The Manufacturing Group is engaged in the manufacturing of industrial piping components; automotive and appliance components; marine, military and commercial hardware; primary metals; production equipment; metalworking presses; air conditioning and refrigeration equipment and components; electronic connectors; cutting tools; electrical wire and cable; iron, steel, aluminum and brass castings; traffic and industrial control systems; special industrial trucks; coin-operated amusement games; research and development.

Gulf + Western Manufacturing Co.
Collyer Insulated Wire
Bohn Aluminum & Brass
E.W. Bliss
Bonney Forge
Buckeye Forge
Lenape Forge
Guaranteed Parts
Ottawa Truck
Michigan Plating & Stamping
Gulf + Western Stamping
Young Spring & Wire
Wilcox-Crittenden
Unicord
Friga Bohn
TF de Mexico
Producciones Automotrices, S.A.
Hartung, Kuhn & Co.
John M. Henderson & Co.
Elco Corp.
Eagle Signal
Morse Cutting Tools
Sega Enterprises
Monroe
Detroit Body Products
Arco
H. Koch & Sons
Energy Development Associates
North & Judd
Glasgow Industries

Leisure Time Group
Engaged in the production, financing and distribution of motion pictures for exhibition in appropriate media and the production and distribution of television film series; also engaged in the publication of hard cover and paperback books, music publishing, distribution of educational films and manufacture and distribution of coin-operated amusement devices.

Paramount Pictures Corp.
Cinema International Corp.
Famous Music Corp.
Famous Players Ltd.
Simon & Schuster
Madison Square Garden Corp.
Madison Square Garden Communications Network
Hughes Television Network
Madison Square Garden Cablevision
Madison Square Garden Television
USA Network
Marketing Concepts, Inc.

Consumer and Agricultural Products Group
The Consumer and Agricultural Products Group is engaged in the manufacture and marketing of cigars. Also engaged in the production of raw sugar and some refined sugars, cane juice molasses and furfural, and in other operations, in the Dominican Republic and Florida.

Gulf + Western Americas Corp.
G + W Food Products Co.
Corporacion de Hoteles S.A.
Consolidated Cigar Co.

Apparel and Home Furnishings Group
Engaged in the manufacture and marketing of a wide variety of apparel for men, women and children and specialty home furnishings mattresses, caskets, and sofabeds; the manufacture and marketing of wholesale and retail of shoes for men and women; and the manufacture and marketing to manufacturers and retail stores of specialty textile products.

Kayser-Roth Corporation
Simmons U.S.A.
Simmons Universal
Katzenbach & Warren
Raymor
Moreddi
York-Hoover
National Casket
Mal Tool & Engineering
Klock
Cepcol

Natural Resources Group
Manufactures Portland and masonry cement, zinc oxide and metal powers, chemicals, rock, sand and gravel.

Marquette Co.
Solar Fuel Co.
New Jersey Zinc Co.

Automotive & Building Products Group
Engaged in the distribution of automotive replacement parts in the United States; the manufacture and sale of automotive batteries in Europe and the distribution of automotive replacement parts and other products in Western Europe, Puerto Rico, Mexico, and Venezuela; and the distribution of marine parts, electrical and industrial products and the manufacture and distribution of motorcycle parts and accessories in the United States, operates 100 retail outlets. Also manufactures reusable forms for concrete construction.

Big A
American Parts System
Hendrie & Bolthoff
Doyen
Venus
Livingston-Graham
Sycoms Corporation
Richmond Screw Anchor Co.
Uranio A.P.D.
Newport Supply Co.
O J Marine Co.
Plavica
Oversons, S.A.
International Parts Service

Financial Services Group
Makes direct installment loans, financing sales of consumer and industrial products, wholesale financing, industrial and commercial financing and underwriting insurance.

Associates First Capital Corporation
Associates Corp. of North America
THE ASSOCIATES
Associates Commercial Corp.
Cumberland Life Insurance Co.
Emmco Insurance Co.
Excel Insurance Co.
Providence Capital International Insurance Ltd.
The Capitol Life Insurance Co., Ltd.
Providence Capitol Life Assurance Co., Ltd.
Providence Washington Insurance Co.
Providence Capitol Realty Group, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Fidelity Union Bank
765 Broad Street
Newark, New Jersey 07101

Montreal Trust Company
15 King Street West
Toronto, Ontario Canada M5H 1B4

Stock Exchange(s): New York, Toronto, London, Basel, Geneva, Zurich.

Ticker Symbol: GW

Number of Employees:

1981	117,900	1978	116,000
1980	113,000	1977	110,000
1979	113,000		

Plant Footage:

1981	41,790,700 sq.ft.	1978	33,714,500
1980	30,100,000	1977	33,679,000
1979	30,100,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$5,946,349,000	$ 290,887,000
1980	5,522,002,000	255,284,000
1979	5,009,346,000	227,438,000
1978	4,058,832,000	180,516,000
1977	3,361,227,000	150,327,000

	No. of Com. Shares †	Earn. per Share †
1981	75,381,000	$ 3.75
1980	56,046,000	4.38
1979	58,829,000	3.69
1978	60,221,000	2.82
1977	60,269,000	2.32

‡ Includes operating revenues.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Leisure time	$ 1,129,000	$ 1,041,000
Consumer and agricultural products	669,000	541,000
Manufacturing	1,311,000	1,292,000
Apparel & home furnishings	1,531,000	1,408,000
Automotive & bldg. prods.	560,000	569,000
Natural resources	502,000	487,000
Total	$ 5,702,000	$ 5,338,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.75	—	—
1980	0.638	—	5-for-4
1979	0.58	—	—
1978	0.536	—	—
1977	0.504	—	—

‡ Adjusted to reflect stock splits and stock dividend.

Common Stock Equity

	Total Equity#	Equity Per Share ‡
1981	$2,081,487,000	$ 27.48
1980	1,538,745,000	27.21
1979	1,322,234,000	23.73
1978	1,188,039,000	19.76
1977	1,042,055,000	17.41

# After allowing for preferred shares at a total liquidation value.
‡ Adjusted to reflect stock split.

Income Account

Year ended July 31	1981	1980
Net sales & revenues	$5,702,476,000	$5,338,483,000
Other income	243,873,000	183,519,000
Total income	$5,946,349,000	$5,522,002,000
Cost of sales	4,191,938,000	3,925,322,000
Expenses	1,013,534,000	940,147,000
Depreciation & depletion	116,535,000	103,869,000
Interest expense	187,148,000	174,165,000
Minority interest	6,307,000	8,715,000
Income before taxes	$ 430,887,000	$ 369,784,000
Income taxes	140,000,000	114,500,000
Net Income	$ 290,887,000	$ 255,284,000

Assets

As of July 31	1981	1980
Cash	$ 48,906,000	$ 49,859,000
Marketable securities	332,992,000	168,074,000
Accts. receiv., net	878,918,000	761,320,000
*Inventories	1,165,732,000	1,153,075,000
Prepaid expenses	481,801,000	495,554
Current Assets	$2,908,349,000	$2,627,882,000
#Fixed assets	1,498,191,000	1,528,127,000
Other assets	1,486,684,000	1,260,767,000
Total Assets	$5,893,224,000	$5,416,776,000

Liabilities

	1981	1980
Notes payable & long-term debt, curr.	$ 312,043,000	$ 348,353,000
Accts. payable & accruals	1,082,165,000	977,672,000
Income taxes	43,980,000	46,606,000
Curr. Liabilities	$1,438,188,000	$1,372,631,000
Long-term debt	1,750,628,000	1,801,162,000
Minority interest	137,207,000	218,875,000
Deferred liabilities	359,193,000	327,652,000
+Redeem. pref. stock	28,970,000	30,361,000
++Convert. pref. stock	5,383,000	6,922,000
+++Common stock	75,735,000	56,555,000
Add. paid-in capital	608,538,000	336,817,[illegible]
Retained earnings	1,478,435,000	1,262,303,000
Net unrealized gain	10,947,000	3,498,000
Total Liabilities & Shareholders' Equity	$5,893,224,000	$5,416,776,000

* At lower of cost (FIFO or average) or net realizable value.
# Less accumulated depreciation and depletion.
+ $100 stated value, cumulative convertible.
+ + $2.50 stated value; cumulative.
+ + + $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales & Revenues	7.56	6.93
%Net Income to Sales & Revenues	5.10	4.78
%Net Income to Equity	24.67	15.32
Working Capital	$1,470,161,000	$1,255,251,000
Current Ratio	2.02	1.91
Shareholders' Equity	$1,179,038,000	$1,666,095,000

Gulton Industries, Inc.

P.O. Box CN-63
101 College Road East
Princeton, New Jersey 08540
(609) 452-1811

Officers: Walter F. Gips, Jr., chairman & chief executive officer; E. Maclin Roby, president & chief operating officer; James Z. Gladstone, v.p.-finance; Malcolm P. McNair, Jr., v.p.-adm.; John D. Taysom, v.p.-intl.; Philip Garnick, Robert D. Pabst, Michael J. Marino, Robert G. Thesing, vice presidents; Henry Hirschmann, treasurer; Robert L. Pelz, chairman of the exec. comm. & secretary; Mary M. Hodges, Richard P. Streicher, asst. secretaries.

Directors: Walter F. Gips, Jr.*, chairman, William G. Stott*, E. Maclin Roby, Lewis B. Cullman*, F. Warren Hellman, Robert L. Pelz*, Ian M. Ross, Clarke Simonds, Eugene A. Sekulow, John S. Chamberlin.

*Member of Executive Committee.

Areas of Work: Operates in three principal industry segments: instrumentation, communications equipment, and power and lighting equipment. The instrumentation group manufactures electronic instruments and related transducers for measuring, monitoring and controlling, including analog and digital controls for pressure and temperature dependent industrial processes; analog and digital instrumentation for displaying or recording process trends and events; temperature, pressure, position and motion transducers. Communications products consist principally of digital data acquistion and telemetry systems; loudspeakers and speaker systems; microphones; military headsets and handsets; sound reinforcement systems; industrial remote control and carrier communications equipment; phonograph and tape recorder parts and accessories; piezoceramic transducers. The power and lighting group manufactures high-voltage transmission and distribution switchgear; medium power solidstate inverters, converters, and power conditioning equipment; specialty lighting and ventilation products and destination sign systems for air and ground transportation vehicles.

Divisions and Subsidiaries:

Engineered Magnetics Division
13041 Cerise Avenue
Hawthorne, California 90250
(213) 679-0111

S . C Division
1644 Whittier Avenue
Costa Mesa, California 92627
(717) 642-2400

Data Systems Division
15000 Central Avenue, S.E.
Albuquerque, New Mexico 87123
(505) 299-7601

Femco Division
P.O. Box 33
2000 Bethel Drive
High Point, North Carolina
(919) 887-2611

Luminator Division
1200 E. Dallas North Parkway
Plano, Texas 75074
(214) 424-6511

Measurement & Control Systems Division
Gulton Industrial Park
East Greenwich, Rhode Island 02818
(401) 884-6800

Electro-Voice, Inc.
600 Cecil Street
Buchanan, Michigan 49107
(616) 695-6831

Southern States, Inc.
Hampton, Georgia 30228
(404) 946-4562

Gulton Industries (Canada) Ltd.
345 Herbert Street
Gananoque, Ontario, Canada K7G 2V1
(613) 382-2141

West Instruments de Mexico
Manuel Ma. Contreas No. 82
Mexico 4, D.F., Mexico
(903) 535-0740

Electro-Voice SA
Romerstrasse 49
2560 Nidau, Switzerland

Gulton Europe Limited
The Hyde, Lower Bevendean
Brighton BN 2 4JU, England

West Instruments de Mexico
Manuel Ma. Contreas No. 82
Mexico 4, D.F., Mexico
(903) 535-0740

Gulton International
% The Hyde, Lower Bevendean
Brighton BN2, 4JU, England

Gulton GbmH
Krifteler Strasse 32
Frankfurt (Main), West Germany

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: GUL

Number of Employees:

1982	3,233	1979	3,842
1981	3,550	1978	3,415
1980	3,667		

Sales and Earnings

	Net Sales +	Net Income
1982*	$ 155,745,000	$ 1,599,000
1981†	156,487,000	1,658,000
1980	144,108,000	5,723,000
1979	126,670,000	4,231,000
1978	104,545,000	2,846,000

	No. of Com. Shares	Earn. per Share #
1982	2,838,204	$ 0.49
1981	2,800,818	0.51
1980	2,747,954	1.95
1979	2,717,053	1.45
1978	2,690,463	0.96

* 53 weeks.
+ Of continuing operations only.
# Based on the average number of shares outstanding.
† Restated.

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1982	$ 34,485,650	$ 12.15
1981	34,801,550	12.43
1980	34,368,000	12.51
1979	30,009,000	11.04
1978	26,716,000	9.93

‡ After allowing for preferred stock at liquidating value of $50 per share.
† Restated to reflect change in accounting method to comply with FASB Statment No. 52 concerning Foreign currency translation.

Income Account *
(000's)

Year ended	2/27/82	2/28/81 † (53 weeks)
Net sales	$ 155,745	$ 156,487
Cost of sales	113,712	107,087
Expenses	37,418	34,959
Interest expense	2,182	2,085
Other expense (income)	(1,163)	275
Income before taxes	$ 3,596	$ 12,081
Income taxes	1,618	5,556
Income from cont. oper.	$ 1,978	$ 6,525
Loss from discont. oper.	(379)	(4,867)
Net Income	$ 1,599	$ 1,658

* Included in Costs and Expenses, Depreciation and Amortization: $2,807,000 in 1982 and $2,821,000 in 1981.

† Restated.

Assets
(000's)

As of	2/27/82	2/28/81 †
Cash	$ 3,027	$ 3,373
Short-term investment	1,908	—
Accts. receiv., net	28,411	27,137
*Inventories	28,929	28,605
Refundable income taxes	3,423	1,718
Other assets	672	547
Current Assets	$ 66,370	$ 61,380
Other assets & deferred charges	2,009	1,782
Assets of discont. oper.	3,263	1,820
#Fixed assets	14,782	15,464
Intangibles	3,046	2,950
Total Assets	$ 89,470	$ 83,396

Liabilities
(000's)

Notes payable	$ 3,269	$ —
Long-term debt, curr.	1,646	966
Accts. payable & accruals	26,979	22,040
Income taxes	689	1,484
Curr. Liabilities	$ 32,583	$ 24,490
Long-term debt	15,930	17,394
Deferred credits	1,263	1,502
+Preferred stock	1,172	1,172
+ +Common stock	2,838	2,801
Add. paid-in capital	10,993	10,678
Retained earnings	25,561	25,865
Equity adjustment	(364)	—
Treasury stock	(506)	(506)
Total Liabilities & Shareholders' Equity	$ 89,470	$ 83,396

† Restated.
* At lower of cost (FIFO, average & LIFO) or market.
# Less accumulated depreciation & amortization.
+ $10 par value; cumulative convertible.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	4.03	4.14
Sales to Inventories	5.38	5.47
Working Capital	$33,787,000	$36,890,000
Current Ratio	2.04	2.51
Shareholders' Equity	$39,694,000	$40,010,000

Halliburton Company

2600 Southland Center
Dallas, Texas 75201
(214) 748-2610

Officers: John P. Harbin, chairman of the board, chief executive officer; Thomas H. Cruikshank, president; William G. Nolen, v.p.-admn.; B.G. Taylor, exec. v.p.-oil field services; Jack W. Miller, v.p.-finance; Stephen T. DeLaMater, v.p.-gov't. relations; James G. Nuland, v.p.-investor relations; C. Robert Fielder, treasurer; Robert M. Kennedy, secretary; Kenneth V. Jenkins, controller.

Directors: Anne L. Armstrong, Alex E. Barron, George R. Brown, Thomas H. Cruikshank*, Thomas J. Feehan*, James W. Glanville, John P. Harbin*, Leonard Leon, Guy T. McBride, Jr., E.L. Paramore*, B.G. Taylor*, E.L. Williamson, Lord Polwarth, Edwin L. Cox, William E. Simon.

*Members of the Executive Committee

Halliburton Company

Divisions and Subsidiaries:

Halliburton Services Division
P.O. Drawer 1431
Duncan, Oklahoma 73536
Oil field services and products.

Brown & Root, Inc.
P.O. Box 3
Houston, Texas 77001
Engineering and construction services.

Otis Engineering Corporation
P.O. Box 34380
Dallas, Texas 75234
Specialized equipment and services for the completion, production and control of oil and gas wells.

Freight Master Division
P.O. Box 40555
Fort Worth, Texas 76140
Hydraulic cushioning devices and maintenance services for the railroad industry.

Southwestern Pipe, Inc.
P.O. Box 2002
Houston, Texas 77001
Manufacturer of thinwall pipe and tubing for the petroleum and construction industries.

Taylor Diving & Salvage Co., Inc.
701 Engineers Road
Belle Chasse, Louisiana 70037
International undersea engineering, construction and salvage operations.

Welex Division
P.O. Box 42800
Houston, Texas 77042
Electric well logging and jet perforating services for the petroleum industry.

NUS Corporation
910 Clopper Road
Gaithersburg, Maryland 20878
Engineering and environmental consulting services for industry, utilities and government.

IMCO Services Division
P.O. Box 22605
Houston, Texas 77027
Supplier of oil well drilling fluids and related chemical products and services.

Halliburton Resource Management Division
P.O. Box 1411
Houston, Texas 75221
Renting equipment for compression, gas processing and production.

Halliburton International, Inc.
P.O. Box 22605
Houston, Texas 77227

Jackson Marine Corporation
P.O. Box 1087
Aransas Pass, Texas 78336
Service vessels for the worldwide offshore petroleum and construction industries.

Jet Research Center, Inc.
P.O. Box 246
Arlington, Texas 76010
Explosive products and services for petroleum, marine and defense/aerospace industries.

Allied Industries, Inc.
P.O. Box 61248
Houston, Texas 77208
Specialist in plate and vessel fabrication, gravity blenders and air conveying systems.

Brown & Root Development, Inc.
P.O. Box 2002
Houston, Texas 77001
Provides engineering and project management through contracts with the U.S. gov't and with commercial firms utilizing gov't funds.

Joe D. Hughes, Inc.
P.O. Box 95469
Houston, Texas 77013
Transportation machinery and equipment for petroleum and construction industries.

Highlands Insurance Company
600 Jefferson Street
Houston, Texas 77002
Casualty, property, surety, and marine insurance.

Life Insurance Company of the Southwest
P.O. Box 47421
Dallas, Texas 75247
Life, health and accident insurance.

Wm. A. Smith Construction Co., Inc.
P.O. Box 15217
Housto[illegible]as 77020
Railroa[illegible]struction and maintenance services.

Mid-Valley, Inc.
P.O. Box 2634
Houston, Texas 77001
Provide engineering, construction and project management services nationwide.

Vernon Graphics, Inc.
400 Executive Boulevard
Elmsford, New York 10523
Provides computerized mapping and record systems and services for utilities.

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Crown Trust Company
P.O. Box 38
1 First Canadian Place
Toronto, Ontario, Canada M5X 1G4

Republic Bank of Dallas
Pacific at Ervay
Dallas, Texas 75201

Stock Exchange(s): New York, London, Toronto, Zurich Geneva, Basel, Lausanne.

Ticker Symbol: HAL

Number of Employees:

1981	109,000	1978	110,389
1980	114,968	1977	87,853
1979	112,146		

Sales and Earnings

	Net Revenues (000's)	Net Income (000's)
1981	$ 8,508,133	$ 674,268
1980	7,090,007	500,298
1979	6,176,624	377,399
1978	5,250,793	397,038
1977	4,411,125	355,106

	No. of Com. Share ‡	Earn. per Share ‡
1981	117,839,000	$ 5.72
1980	117,615,000	4.25
1979	117,615,000	3.21
1978	117,486,000	3.38
1977	117,269,000	3.03

‡ Based on average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Oil field services products	$ 4,070,049	$ 3,075,467
Industrial engineering/ construction services	2,892,530	2,701,265
Marine engineering/ construction services	1,545,554	1,313,275
Total	$ 8,508,133	$ 7,090,007

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.30	—	—
1980	1.05	—	2-for-1
1979	0.92	—	—
1978	0.75	—	—
1977	0.55	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1981	$ 3,167,117	$ 26.88
1980	2,635,093	22.39
1979	2,250,782	19.14
1978	1,975,828	16.82
1977	1,661,283	14.16

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net revenues	$ 8,508,133	$ 7,090,007
Cost of sales	7,108,097	6,040,282
Expenses	219,206	195,885
Interest expense	126,059	79,988
Interest income	(54,350)	45,858
Other (income)	(2,494)	(2,579)
Income before taxes	$ 1,180,830	$ 853,840
Income taxes	(465,548)	(347,624)
Income to unconsl. cos.	33,506	26,285
Minority interest	(5,305)	(652)
Net Income	$ 675,268	$ 500,298

* Included in Costs and Expenses, Depreciation: $315,884,000 in 1981 and $267,218,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 137,718	$ 134,023
Accts. & notes receiv., net	1,830,537	1,587,558
Uncompleted contracts	100,214	115,358
*Inventories	822,244	653,470
Current Assets	$ 2,890,713	$ 2,490,409
Equity in & adv. to related cos.	268,080	222,537
Advances & receiv. from joint ventures	139,360	98,448
#Fixed assets	2,181,941	1,821,897
Other assets	99,501	90,462
Total Assets	$ 5,579,595	$ 4,723,753

Liabilities
(000's)

	1981	1980
Notes payable & long-term debt, curr.	$ 165,874	$ 189,570
Accts. payable	419,168	364,542
Advance billings	137,174	108,549
Income taxes	364,255	342,419
Employee benefit fund	94,379	65,183
Other liab.	310,730	279,738
Curr. Liabilities	$ 1,491,580	$ 1,350,001
Long-term debt	741,578	583,723
Minority interest	8,934	5,571
Deferred inc. taxes	170,386	149,365
+ Common stock	295,246	294,631
Add. paid-in capital	88,353	77,234
Retained earnings	2,787,751	2,266,660
Treasury stock	(4,233)	(3,432)
Total Liabilities & Shareholders' Equity	$ 5,579,595	$ 4,723,753

*At cost which is not in excess of market.
Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.88	12.04
%Net Income to Revenues	7.94	7.06
%Net Income to Equity	21.32	18.99
Working Capital	$1,399,133,000	$1,140,408,000
Current Ratio	1.94	1.84
Shareholders' Equity	$3,167,117,000	$2,635,093,000

Hamilton Digital Controls, Inc.

2118 Beechgrove Place
Utica, New York 13501
(315) 797-2370

Officers: Munson H. Pardee, president; Edward Zacaroli, exec. v.p. & chairman of the board; Joseph J. Basile, vice pres. materiel; Ralph M. Risley, treasurer and v.p.-finance & asst. secretary; Dominick Marino, v.p.-mfg.; David Malkin, secretary.

Directors: Munson H. Pardee, Edward Zacaroli, Eugene J. Hickey, Harold Julian, Charles Gaetano, David Malkin.

Areas of Work: Engaged in the design and manufacture of magnetic recording heads for use by original equipment manufacturers of computer systems and peripheral equipment.

Transfer Agent(s):

Marine Midland Bank-New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDIG (NASDAQ)

Number of Employees:

1981	380	1978	264
1980	490	1977	214
1979	330		

Plant Footage:

1981	49,000 sq. ft.	1978	39,500
1980	49,000	1977	24,500
1979	48,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,339,374	$ (105,046)
1980	8,523,987	361,805
1979	6,048,031	452,590
1978	4,984,135	478,163
1977	3,661,057	511,294

	No. of Com. Shares #	Earn. per Share #
1981	1,351,800	$ —
1980	1,346,437	0.27
1979	1,309,520	0.35
1978	1,301,445	0.37
1977	1,290,612	0.23

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	5%	—
1979	—	5%	—
1978	—	5%	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 2,852,737	$ 2.11
1980	2,936,512	2.18
1979	2,555,320	1.95
1978	2,034,994	1.56
1977	1,554,414	1.20

† Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 8,339,374	$ 8,523,987
Cost of sales	7,401,667	6,821,318
Expenses	923,977	937,671
Prov. for doubt. accts.	(10,614)	20,414
Interest expense	249,782	147,833
Income (loss) before taxes	$ (225,438)	$ 596,751
Income taxes (credit)	(148,050)	234,946
Cum. effect of change in acctng. meth.	27,658	—
Net Income	$ (105,046)	$ 361,805

*Included in Costs and Expenses, Depreciation and Amortization: $264,226 in 1981 and $207,046 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 155,152	$ 166,440
Market investments	13,935	316,547
Receiv., net	801,709	1,290,471
*Inventories	2,232,409	2,190,042
Prepaid expenses	132,434	84,978
Prepaid inc. taxes	253,843	3,480
Def. inc. tax charges	20,014	34,979
Current Assets	$ 3,609,496	$ 4,086,937
# Fixed assets	2,847,866	2,614,148
Intangibles	5,332	6,076
Other assets	81,568	72,979
Total Assets	$ 6,544,262	$ 6,780,140

Liabilities

Notes payable	$ 550,000	$ 350,000
Long-term debt, curr.	239,409	239,636
Accounts payable	810,074	907,108
Accruals	182,425	276,016
Curr. Liabilities	$ 1,781,908	$ 1,772,760
Long-term debt	1,806,026	1,984,031
Deferred inc. tax credits	103,591	86,837
+Common stock	33,764	31,899
Add. paid-in capital	2,091,247	1,796,874
Retained earnings	727,726	1,107,739
Total Liabilities & Shareholders' Equity	$ 6,544,262	$ 6,780,140

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02½ par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.00
%Net Income to Sales	—	4.24
%Net Income to Equity	—	12.32
Sales to Inventories	3.74	3.89
Working Capital	$1,827,588	$2,314,177
Current Ratio	2.03	2.31
Shareholders' Equity	$2,852,737	$2,936,512

Harrel, Incorporated

16 Fitch Street
East Norwalk, Connecticut 06855
(203) 866-2573

Officers: Holton E. Harris, president; Trygve O. Ager, vice president-engineering; J. Turner Jones, secretary.

Directors: J. Turner Jones, Will B. Rodemann, Holton E. Harris.

Areas of Work: Manufactures precision electronic controls and instrumentation; computer control systems, primarily for industrial uses such as plastics machinery, packaging machines, test equipment, and environmental chambers.

Transfer Agent(s):

Union Trust Company
300 Main Street
Stamford, Connecticut 06904

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,975,363	$ 421,864
1980	3,018,717	421,124
1979	2,391,025	182,376
1978	1,560,092	87,365
1977	1,120,802	25,681

	No. of Com. Shares	Earn. per Share +
1981	337,004	$ 1.25
1980	337,004	1.25
1979	337,004	0.54
1978	337,004	0.26
1977	337,004	0.08

+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,810,250	$ 5.37
1980	1,455,664	4.32
1979	1,074,980	3.19
1978	916,194	2.72
1977	852,419	2.53

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 2,975,363	$ 3,018,717
Cost of sales	1,597,467	1,697,703
Expenses	718,014	618,992
Other income	(159,232)	(98,439)
Income before taxes	$ 819,114	$ 800,461
Income taxes	397,250	379,337
Net Income	$ 421,864	$ 421,124

* Included in Costs and Expenses, Depreciation and Amortization: $30,623 in 1981 and $20,156 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & cash equiv.	$ 1,290,549	$ 974,676
Accts. receiv., net	354,622	332,121
*Inventories	759,661	741,878
Prepaid expenses	26,841	19,605
Current Assets	$ 2,431,713	$ 2,068,280
#Fixed assets	123,175	93,990
Total Assets	$ 2,554,888	$ 2,162,270

Liabilities

Accts. payable	$ 100,773	$ 81,720
Accruals	199,016	174,988
Accrued inc. taxes	51,353	174,132
Customer deposits	315,842	226,747
Dividend payable	67,400	40,440
Curr. Liabilities	$ 734,384	$ 698,027
Deferred inc. taxes	10,379	8,579
+ Common stock	168,502	168,502
Add. paid-in capital	437,297	437,297
Retained earnings	1,204,326	849,865

Total Liabilities & Shareholders' Equity	$ 2,554,888	$ 2,162,270

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	27.53	26.52
%Net Income to Sales	14.18	13.95
%Net Income to Equity	23.31	28.93
Sales to Inventories	3.92	4.07
Working Capital	$1,697,329	$1,370,253
Current Ratio	3.31	2.96
Shareholders' Equity	$1,810,125	$1,455,664

Harris Corporation

1025 W. NASA Boulevard
Melbourne, Florida 32919
(305) 727-9100

Officers: Joseph A. Boyd, chairman & chief exec. officer; John T. Hartley, Jr., president & principal operating officer; James E. Pruitt, Jr., Jack C. Davis, John N. Lemasters, Frank J. Lewis, Michael F. Maguire, v.p. & group executive; Paul S. Brentlinger, v.p.-finance; Lloyd G. Butler, v.p.-marketing; Joseph R. Creighton, v.p.-general counsel; Robert G. Dyke, v.p.-special programs; William R. LeMasters, v.p.-tax & auditing; Robert E. Sullivan, v.p. & controller; C. Harlan Carothers, v.p.-productivity programs; John B. Arnold, Charles M. Baker, Jr., v.p.'s; Michael G. Dowling, treasurer; Herbert N. McCauley, v.p.-management information services; John J. Myers, v.p.-corporate development; Stephen Baur, v.p.-corp. relations.

Directors: Joseph A. Boyd, chairman of the board; Ralph D. DeNunzio, C. Jackson Grayson, Jr., J.T. Hartley, Jr., Oliver G. Haywood, David C. Scott, H. James Sheedy, Richard B. Tullis, James W. Wilcock, William Farinon.

Areas of Work: Designs, manufactures, installs and maintains equipment and systems for the communications and information processing industry. Products include satellite communications systems, radio and TV transmitters, two-way radios, data terminals and controllers; microwave transmission systems, digital PBX systems, medium-scale computers, utility control systems, integrated circuits, automated testing equipment, newspaper editing and composing systems, printing presses and binding equipment.

Divisions and Subsidiaries:

Information Systems Group

Composition Systems Division
505 John Rodes Boulevard
Melbourne, Florida 32901
(305) 259-5000
Electronic systems and terminals for news editing and advertising preparation, computerized phototypesetters, hot-metal linecasters, photo discs and type matrices.

Computer Systems Division
2101 Cypress Creek Road
Fort Lauderdale, Florida 33309
(305) 974-1700
Medium scale digital computers and memory systems.

Controls Division
407 John Rodes Boulevard
Melbourne, Florida 32901
(305) 727-5600
Utility, pipeline, railroad and industrial control systems; data acquisition and processing equipment.

Data Communications Division
16001 Dallas Parkway
Dallas, Texas 75240
(214) 386-2000
Computer terminals for remote processing of data, communications controllers, computer software packages.

Digital Telephone Systems Division
One Commerce Boulevard
Novato, California 94947
(415) 472-2500
Digital telephone and PBX systems for business and industrial firms and telephone companies.

Information Systems International
1301 Woody Burke Road
Melbourne, Florida 32901
(305) 724-3000
International marketing of super-mini computers and remote batch, interactive and distributed data processing systems.

Communications Group

Broadcast Products Division
3200 Wisman Lane
Quincy, Illinois 62301
(213) 882-8595
Radio and TV transmitters, studio equipment, automation systems and antennas, color TV cameras, video links, digital video systems.

Dracon Division
9541 Mason Avenue
Chatsworth, California 91311
(213) 882-8595
Power supplies, equipment racks, and other auxiliary telephone equipment; voicepaging systems; telephone lineman's test instruments and tools.

Farinon Division
1691 Bayport Avenue
San Carlos, California 94070
(415) 592-4120
Farinon Electric: Microwave radios and multiplexers for voice, video and data communications systems. Farinon Video: Microwave studio transmitter links and electronic news-gathering links for broadcast and cable TV systems.

International Programs Division
1301 Woody Burke Road
Melbourne, Florida 32901
(305) 725-3000
Design and management of large command, control and communication systems outside the U.S.

R F Communications Division
1680 University Avenue
Rochester, New York 14610
(716) 244-5830
Long range and short range two-way radio equipment and systems, mobile and fixed-base, for commercial, industrial, government and military applications.

Satellite Communications Division
1301 Woody Burke Road
Melbourne, Florida 32901
(305) 724-3000
Earth stations, antennas and complete turnkey satellite communications systems for the overseas market and for commercial users in the U.S. market.

Semiconductor Group

Semiconductor Division
P.O. Box 883
Melbourne, Florida 32901
(305) 724-7000
Dielectrically isolated operational amplifiers, A/D and D/A converters.

Semiconductor Digital Products Division
P.O. Box 883
Melbourne, Florida 32901
(305) 724-7000
Bipolar programmable read only memories; CMOS static rams, microprocessors and PROMS.

Semiconductor Programs Division
P.O. Box 883
Melbourne, Florida 32901
(305) 724-7000
Serves the specialized needs of large government and industrial customers for development, production and testing of custom-made integrated circuits.

Harris Microwave Semiconductor, Inc.
13333 Bordeaux Drive
Sunnyvale, California 94086
(408) 734-2140
Gallium arsenide microwave devices and integrated circuits; hybrid microwave amplifiers.

Printing Equipment Group

Bindery Systems Division
P.O. Box 518
Champlain, New York 12919
(518) 298-8221
Binding, gathering, collating, trimming, stitching and inserting machines, newspaper mailroom equipment.

Business Forms Systems Division
4900 Webster Street
Dayton, Ohio 45414
(513) 278-2651
Business forms printing presses and commercial printing presses, forms collating machines, carbon-coating machines.

Commercial Press Division
1400 East Business Highway 121
Grapevine, Texas 76051
(817) 481-5744
Manufactures medium-width and narrow-width web offset presses for commercial printers and lithographers.

Newspaper Press Division
121 Broadway Street
Dover, New Hampshire 03820
(603) 749-1922
Newspaper and color insert web offset printing presses.

Publication Press Division—U.S.A.
Box 515
Westerly, Rhode Island 02891
(203) 599-1500
High-speed multicolor presses for newspaper, magazine, book and commercial printing.

Web Press Division—Europe
Boite Postale 22
2, Avenue Ambroise Croizat
60160 Montataire, France
High-speed multicolor presses for newspaper, magazine, book and commercial printing.

Government Systems Group

Government Communications Systems Division
P.O. Box 37
Melbourne, Florida 32901
(305) 727-4000
Satellite and terrestrial communication and control equipment.

Government Electronic Systems Division
P.O. Box 37
Melbourne, Florida 32901
(305) 727-4000
Equipment and systems for advanced surface and space communications programs for data acquisition, and for the processing, display and storage of information.

Government Information Systems Division
P.O. Box 37
Melbourne, Florida 32901
(305) 727-4000
Airborne/spaceborne information handling systems; command and control systems and information processing systems.

PRD Electronics Division
6801 Jericho Turnpike
Syosset, New York 11791
(516) 364-0400
Computerized automatic test systems for avionics and other electronic equipment, computer services, electronic measurement instruments.

International

Harris Corporation BV
Bankrashof 3, 10 Etage
Amstelveen, The Netherlands

Harris GmbH
Rennbahnstrasse 72-74
D-6000 Frankfurt/Main
West Germany

Harris S.A.
Avenue Charles De Gaulle 6
78150 Le Chesnay, France

Harris Systems Ltd.
145 Farnham Road
Slough SL1 4XD, England

Harris Corporation

Harris S.A. de C.V.
Apartado Postal 8319
Mexico 1 DF, Mexico

Harris Saudi Arabia Ltd.
P.O. Box 3750
Riyadh, Saudi Arabia

Harris Systems Ltd.
19 Lesmill Road
Don Mills, Ontario M3B 2T3
Canada

Farinon Canada, Ltd.
657 Orly Avenue
Dorval, Quebec H9P 1G1
Canada

Transfer Agent(s):

The Chase Manhattan Bank
New York, New York

The Ameritrust Company
Cleveland, Ohio

Stock Exchange(s): New York, Midwest, Philadelphia

Ticker Symbol: HRS

Number of Employees:

1981	25,200	1978	18,700
1980	24,000	1977	16,400
1979	21,400		

Plant Footage:

1981	5,100,000 sq. ft.	1978	4,732,000
1980	5,000,000	1977	4,731,000
1979	4,731,000		

Sales and Earnings ‡

	Revenues +	Net Income
1981	1,551,514,000	103,958,000
1980	1,300,932,000	79,682,000
1979	1,074,881,000	68,772,000
1978	947,629,000	56,804,000
1977	706,499,000	44,218,000

	No. of Com. Shares #	Earn. per Share #
1981	30,873,000	3.37
1980	30,288,000	2.63
1979	29,643,000	2.32
1978	28,435,000	2.00
1977	28,024,000	1.58

‡ Restated to include operations of companies acquired on a pooling of interests basis.
+ Includes sales, rental and services.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Information syst.	$ 258,600,000	$ 215,500,000
Farinon	148,200,000	113,400,000
Communications	226,100,000	188,000,000
Semiconductor	180,500,000	148,000,000
Gov't. syst.	307,100,000	263,300,000
Printing equip.	431,000,000	372,700,000
Total	$1,551,500,000	$1,300,900,000

Common Stock

	Cash Dividend ‡‡	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.72	—	—
1979	0.60	—	2-for-1
1978	0.50	—	—
1977	0.3875	—	2-for-1

‡‡ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	555,997,000	17.81
1980	448,981,000	14.75
1979	383,911,000	12.75
1978	307,479,000	10.64
1977	254,283,000	9.02

† Restated to include operations of companies acquired on a pooling of interests basis.
‡ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Revenues	$1,551,514,222	$1,300,931,794
Gain from Sale of investment	17,900,517	—
Other income	15,073,752	6,715,008
Total Revenues	$1,584,488,491	$1,307,646,802
Cost of revenues	1,021,018,126	868,194,324
Expenses	376,135,809	296,914,573
Other Expense (income)	(1,308,675)	(1,895,240)
Interest expense	21,961,541	11,602,762
Income before taxes	$ 166,681,690	$ 132,830,383
Income taxes	62,724,055	53,147,951
Net Income	$ 103,957,635	$ 79,682,432

* Included in Costs and Expenses, Depreciation: $66,990,998 in 1981 and $51,026,719 in 1980.
‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets

As of June 30	1981	1980
Cash	$ 32,949,139	$ 27,996,211
Short-term securities	81,493,959	79,675,252
Accts. & notes receiv., net	266,433,379	252,845,217
Unbilled costs	106,111,057	92,364,356
*Inventories	360,626,542	303,220,488
Current Assets	$ 847,614,076	$ 756,101,524
Rental equip.	62,106,104	56,429,300
#Fixed assets	353,275,897	275,065,746
Other assets	50,807,543	52,187,866
Total Assets	$1,313,803,620	$1,139,784,436

Liabilities

	1981	1980
Short-term debt	$ 8,000,409	$ 8,136,560
Accts. payable	98,734,147	90,300,054
Compensation & accruals	159,906,054	135,537,837
Advance payments	100,034,361	101,462,289
Income taxes	38,650,440	42,565,713
Curr. Liabilities	$ 405,325,411	$ 378,002,453
Long-term debt:		
4⅜% Deben.	10,697,000	13,450,000
6% Deben.	12,777,000	12,834,000
7¼% Deben.	50,000,000	50,000,000
11½% Deben.	125,000,000	125,000,000
5% Conv. subord. deben.	865,000	2,127,000
Other debt	13,981,030	12,443,188
Deferred inc. taxes	139,161,000	96,947,000
+Common stock	31,279,563	31,027,865
Add. paid-in capital	81,806,956	58,176,229
Retained earnings	443,075,232	364,005,686
Treasury stock	(164,572)	(4,228,985)
Total Liabilities & Shareholders' Equity	$1,313,803,620	$1,139,784,436

* At lower of cost (average, FIFO and LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	10.74	10.21
%Net Income to Revenues	6.70	6.13
%Net Income to Equity	18.70	17.75
Working Capital	$442,288,665	$378,095,838
Current Ratio	2.09	2.00
Shareholders' Equity	$555,997,179	$448,980,795

The Harvey Group

60 Crossways Park West
Woodbury, New York 11797
(516) 921-8700

Officers: Harvey E. Sampson, chairman of the board & president; Edward J. Maher, vice chairman; Alfred Stoddart, exec. v.p. & chief financial officer; E.M. Hedrick, sr.v.p.; John Hamber, Michael Agoglia, Carl Ross, George Tomasino, John W. Taylor, v.p.'s; Dennis R. Wilson, secretary

Directors: Michael E. Gellert, Harvey E. Sampson, C. Vergil Martin, Richard M. Ramin, Edward J. Maher, William F. Kenny III, Alfred Stoddart, John M. Fox, Samuel N. Irwin.

Areas of Work: Engaged in the retail sale of audio and high-fidelity equipment, home entertainment systems, video electronic equipment, television sets, professional and home recording equipment, phonograph records, tapes, and similar products; operates stores in New York City, Westchester and Long Island, New York; distributes industrial electronic components. Distributes electronic and electromechanical systems such as test equipment, recording consoles, instrument panels and electrical and electronic control equipment to specifications provided by its customers. Also, operates a food brokerage division.

Divisions and Subsidiaries:

Industrial Distribution

Harvey Military Components

Harvey Electronics
Woodbury, New York

Food Brokerage Division

H.C. Boerner Co.
Great Neck, New York

Retail Division

Harvey Sound, Inc.
New York, New York

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HRA

Sales and Earnings

	Revenues +	Net Income
1982	$ 87,485,051	$ (1,085,435)
1981	80,213,549	1,209,523
1980	66,216,744	1,877,551
1979*	49,570,540	1,359,503
1978	39,982,123	845,505

	No. of Com. Shares	Earn. per Share ‡ #
1982	2,527,726	$ —
1981	2,205,800	0.53
1080	2,122,512	0.85
1979	2,066,762	0.62
1978	2,041,012	0.41

* 53 weeks.
‡ Including extraordinary gains of $544,082 ($0.25 per share) in 1979, and $398,850 ($0.20 per share) in 1978.
# Based on weighted average number of common shares and common share equivalents outstanding.
+ Of continuing operations only.

Revenues By Line of Business

	1982	1981
Industrial distribution	$ 66,450,565	$ 60,954,932
Food brokerage	9,311,900	8,697,200
Other	11,405,444	10,561,417
Total Segments	$ 87,167,909	$ 80,213,549
Proceeds from life insurance	317,142	—
Total Revenues	$ 87,485,051	$ 80,213,549

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 13,727,244	$ 5.43
1981	13,048,787	5.92
1980	11,659,169	5.49
1979	9,725,868	4.71
1978	8,342,083	4.09

Income Account *

Year ended	1/30/82	1/31/81
Net sales	$ 77,856,009	$ 71,516,349
Other income	9,311,900	8,697,200
Proceeds from life insurance	317,142	—
Total income	$ 87,485,051	$ 80,213,549
Cost of Sales	59,919,251	53,277,707
Expenses	26,078,670	22,605,531
Interest expense	3,885,565	2,565,788
Income (loss) before taxes	$ (2,398,435)	$ 1,764,523
Income taxes (credit)	(1,313,000)	555,000
Net Income (loss)	$ (1,085,435)	$ 1,209,523

* Included in Costs and Expenses, Depreciation and Amortization: $438,014 in 1982 and $280,276 in 1981.

Assets

As of	1/30/82	1/31/81
Cash	$ 444,128	$ 818,280
Receiv. net	12,804,109	10,057,750
Refundable income taxes	1,804,072	337,000
* Inventories	21,490,766	15,730,792
Prepaid expenses & other assets	282,663	245,468
Current Assets	$ 36,825,738	$ 27,189,290
# Fixed assets	3,922,801	3,611,748
Other assets	6,265,496	5,536,067
Total Assets	$ 47,014,035	$ 36,337,105

Liabilities

Long-term debt. curr.	$ 2,436,772	$ 225,531
Accts. payable	5,262,559	4,569,171
Accruals	2,458,467	2,371,097
Income taxes	444,266	153,157
Curr. Liabilities	$ 10,602,064	$ 7,318,956
Long-term debt	20,658,845	14,300,988
Cap. lease oblig.	1,503,130	1,480,484
Deferred income	419,752	84,890
Def. income taxes	103,000	103,000
+ Common stock	2,527,726	2,205,800
Add. paid-in capital	5,953,622	4,511,656
Retained earnings	5,245,896	6,331,331
Total Liabilities & Shareholders' Equity	$ 47,014,035	$ 36,337,105

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.47
%Net Income to Sales	—	1.69
%Net Income to Equity	—	9.27
Sales to Inventories	3.62	4.55
Working Capital	$26,223,674	$19,870,334
Current Ratio	3.47	3.71
Shareholders' Equity	$13,727,244	$13,048,787

Harvey Hubbell, Incorporated

584 Derby Milford Road
Orange, Connecticut 06477
(203) 789-1100

Officers: Robert W. Dixon, president & chief executive officer; Fred R. Dusto, president & chief operating officer; G.J. Ratcliffe,Jr., sr. v.p.-finance & law & secretary; Gerald E. Martin, Richard H. Montague, Richard M. Silven, group vice presidents; William R. Cress, v.p.-pres., The Ohio Brass Company; Roger M. Search, v.p.-industrial relations; William H. Gatenby, v.p.-government & associations; Harry B. Rowell, Jr., v.p.-corporate planning & development; Robert A. McRoberts, treasurer; Walter R. Hajna, controller; William A. Finnell, Alan P. Goldbecker, asst. treasurers; Richard W. Davies, asst. secretary.

Directors: Alfred T. Joldersma*, Robert N. Flint, G.J. Ratcliffe, Jr., Charles A. McKee, Joseph A. Dallas, Robert W. Dixon*, Fred R. Dusto, Thomas O. Boucher*, Andrew McNally IV, Robert M. Gordon, William R. Cress.

*Member of Executive Committee.

Divisions:

Wiring Device Division
State Street & Bostwick Avenue
Bridgeport, Connecticut 06602
(203) 333-1181
Aiken, South Carolina 29801

Electrical wiring devices,ground fault circuit interruptors, medical power centers, floor boxes; marine and corrosion resistant products; hospital and medical special purpose products.

Plastics Division
Prospect Drive
Newton, Connecticut 06470
(203) 426-2555
5500 Washington Avenue
Ashtabula, Ohio 44044

Custom-molded plastic parts for electrical/electronics, appliance, hardware, recreation, packaging and automotive markets.

Kellems Division
Route One, Lord's Hill
Stonington, Connecticut 06378
(203) 535-1250

Mechanical holding devices for cable, rope, hose, and flexible conduit for utility, contractor, and industrial markets.

Lighting Division
Christiansburg, Virginia 24073
Anaheim, California
Moultrie, Georgia

Outdoor and indoor area lighting, landscape and hazardous-location lighting for commercial buildings, stadiums, gymnasiums, industrial plants, and residential use; underwater and reflecting pool lighting.

Industrial Controls Division
30 Edwards Street
Madison, Ohio 44057
(216) 428-1161

Heavy-duty electrical and electronic control equipment for industrial markets.

Pulse Communications Division
5714 Columbia Pike
Falls Church, Virginia 22041
(703) 820-0652

Manufactures electronic products related to the transmission and control of data, teleprinter, voice and television signals.

Ensign Electric Division
914 Adams Avenue
Huntington, West Virginia 25712
(304) 529-3311

Electrical control, transmission, and distribution equipment for hazardous environments, principally coal mining.

Hermetic Refrigeration Division
Phoenix, Arizona

Manufacture of refrigeration and air conditioning compressors.

Subsidiaries:

The Kerite Company
49 Day Street
Seymour, Connecticut 06483
(203) 888-2591

Proprietary insulated wire and cable for railroads, electric utilities, and industrial markets.

The Ohio Brass Company
Mansfield, Barberton & Wadsworth, Ohio
Newell, & Oak Hill, West Virginia
Niagara Falls, Ontario & Baie d'Urfe, Quebec, Canada

Harvey Hubbell Canada, Inc.
870 Brock Road South
Pickering, Ontario, Canada
(416) 839-1139

Manufactures products of Wiring Device, Ensign Electric, Industrial Controls, Kellems, Lighting and Watford Electric Divisions.

Harvey Hubbell Ltd.
123-A Gloucester Road
London, SW 7,4 TE, England

Industrial and domestic plugs and socket adaptors. Terminals and cable grips.

Watford Electric Company, Ltd.
Kempston, Bedfordshire, England

Custom and standard automatic control gear of all types.

Harvey Hubbell do Brasil, S.A.
Sao Paulo, Recife & Maura, Brazil

Produces disconnect switches and electrical power distribution; motor controls,electrical connectors, insulators and automotive friction products.

OB Canada, Inc.
Niagara Falls, Ontario, Canada
Baie d'Urfe, Quebec, Canada

Transfer Agent(s):

Hartford National Bank and Trust Company
Hartford, Connecticut 06115

Stock Exchange(s): American

Ticker Symbol: HUBA & HUBB

Number of Employees:

1980	7,638	1977	5,844
1979	8,331	1976	5,905
1978	8,417		

Sales and Earnings

	Net Sales ‡	Net Income
1980	$406,019,000	$ 29,936,000
1979	362,438,000	26,757,000
1978	260,118,000	20,521,000
1977	211,024,000	16,985,000
1976	192,650,000	15,016,000

	No. of Com. Shares #	Earn. per Share #
1980	11,220,000	$2.43
1979	11,138,000	2.16
1978	11,152,000	1.76
1977	11,178,000	1.52
1976	11,168,000	1.35

‡ Of continuing operations.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1980	$0.93	—	2-for-1
1979	0.79	—	—
1978	0.71	—	—
1977	0.63	—	4-for-3
1976	0.56	—	—

‡ Adjusted to reflect stock splits.

Harvey Hubbell, Incorporated

Common Stock Equity

	Total Equity	Equity Per Share †
1980	$159,215,000	$14.19
1979	141,654,000	12.72
1978	125,550,000	11.26
1977	115,439,000	10.33
1976	105,242,000	9.42

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1980	1979
Net sales	$ 406,019	$ 362,438
Cost of sales	285,866	256,723
Expenses	60,045	56,340
Interest expense	2,500	1,689
Interest income	(2,035)	(1,407)
Other expense (income)	187	(1,123)
Income before taxes	$ 59,456	$ 50,216
Income taxes	29,520	23,459
Net Income	$ 29,936	$ 26,757

*Included in Costs and Expenses, Depreciation and Amortization: $7,685,000 in 1980 and $6,747,000 in 1979.

Assets
(000's)

As of Dec. 31	1980	1979
Cash	$ 6,483	$ 6,289
Investments in securities	20,896	8,254
Accts. receiv., net	61,921	54,819
*Inventories	77,874	77,585
Prepaid expenses & other assets	7,248	5,538
Current Assets	$ 174,422	$ 152,485
# Fixed assets	69,503	64,591
Other assets	13,793	15,567
Total Assets	$ 257,718	$ 232,643

Liabilities
(000's)

	1980	1979
Loans payable	$ 5,342	$ 5,805
Accts. payable	17,401	17,621
Accruals	22,081	17,361
Dividends payable	3,333	3,018
Income taxes	9,841	8,109
Curr. Liabilities	$ 57,998	$ 51,914
Deferred inc. taxes	2,430	1,955
Long-term debt	3,290	1,765
Reserve for pensions	2,250	2,804
+ Redeemable pref. stock	32,535	32,551
+ + Common stock		
Class A	16,210	8,013
Class B	43,021	21,414
Add. paid-in capital	—	594
Retained earnings	107,721	119,370
Treasury stock	(7,737)	(7,737)
Total Liabilities & Shareholders' Equity	$ 257,718	$ 232,643

*At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation & amortization.
+ No par value.
+ + $5 par value.

Statistical Summary

	1980	1979
%Income bef. Taxes to Sales	14.64	13.86
%Net Income to Sales	7.37	7.38
%Net Income to Equity	18.80	18.89
Sales to Inventories	5.21	4.67
Working Capital	$116,424,000	$100,571,000
Current Ratio	3.01	2.94
Shareholders' Equity	$159,215,000	$141,654,000

Hathaway Instruments, Inc.

5250 East Evans Avenue
Denver, Colorado 80222
(303) 756-8301

Also at:
8100 No. Mingo Valley Expressway
Owasso, Oklahoma 74055
(918) 272-1186

Officers: Eugene E. Prince, chairman of the board, president & chief exec. officer; A.J. Hintze, vice chairman; James A. Bright, v.p.-engineering; E.J. Westback, v.p.-operations; John C. Ball, v.p.-finance, secretary, treasurer & chief financial officer; Thomas H. Crowe, v.p.-marketing; Herbert G. Franson, asst. treasurer.

Directors: A. J. Hintze, Bruce B. Brundage, Eugene E. Prince, Marvin J. Fein, Harold Y. Sampson.

Areas of Work: Manufacture and sale of electro-mechanical equipment and components. The principal products currently produced by the company are electric power disturbance recording equipment, data handling and control systems, general purpose industrial and laboratory oscillographs and electric motors.

Transfer Agent(s):
United Bank of Denver
1740 Broadway
Denver, Colorado 80217

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HATH (NASDAQ)

Number of Employees:

1981	250	1978	253
1980	274	1977	257
1979	248		

Plant Footage:

1981	75,000 sq. ft.	1978	80,000
1980	65,000 sq. ft.	1977	80,000
1979	55,000		

Sales and Earnings

	Net Sales	Net Income +
1981	$ 13,545,000	$ 522,020
1980	11,000,157	363,178
1979	10,734,081	352,206
1978	9,995,069	515,190
1977	8,654,934	157,667

	No. of Com. Shares	Earn. per Share +
1981	828,312	$ 0.63
1980	821,812	0.44
1979	820,112	0.44
1978	782,812	0.63
1977	781,512	0.20

+ Including extraordinary credits of $75,000 (0.09 per share) in 1981 and $114,000 ($0.14 per share) in 1980, $84,500 (0.11 per share) in 1979, $235,900 ($0.29 per share) in 1978 and $63,100 ($0.08 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,914,000	$ 3.52
1980	2,500,620	3.04
1979	2,250,194	2.74
1978	1,968,137 †	2.51
1977	1,477,788 †	2.02

† After allowing for preferred stock at par value.

Income Account *

Year ended	6/27/81	6/28/80
Net sales	$ 13,545,000	$ 11,000,157
Cost of sales	8,511,000	6,634,804
Expenses	3,906,000	3,767,674
Interest expense	351,000	241,654
Other income	(4,000)	(7,153)
Lawsuit expense	384,000	—
Pension plan termination	(170,000)	—
Income before taxes	$ 567,000	$ 363,178
Income taxes	120,000	114,000
Net Income	$ 447,000	$ 249,178
Extraord. credit	75,000	114,000
Net Income & extraord. credit	$ 522,000	$ 363,178

* Included in Costs and Expenses, Depreciation and Amortization: $290,000 in 1981 and $233,149 in 1980.

Assets

As of	6/27/81	6/28/80
Cash	$ 30,000	$ 13,000
Pension plan receiv.	170,000	—
Receiv., net	3,012,000	2,229,000
*Inventories	1,978,000	1,842,000
Prepaid expenses	35,000	54,000
Current Assets	$ 5,225,000	$ 4,138,000
#Fixed assets	1,563,000	1,484,000
Techn. & Eng. drawings	387,000	—
Other assets	51,000	7,000
Total Assets	$ 7,226,000	$ 5,629,000

Liabilities

	6/27/81	6/28/80
Notes payable	$ 1,615,000	$ 1,620,000
Accts. payable	813,000	489,000
Accruals	902,000	816,000
Warranty reserve	173,000	200,000
Inc. taxes pay.	42,000	4,000
Curr. Liabilities	$ 3,545,000	$ 3,129,000
Long-term debt	767,000	—
+Common stock	414,000	411,000
Add. paid-in capital	1,720,000	1,715,000
Retained earnings	780,000	374,000
Total Liabilities & Shareholders' Equity	$ 7,226,000	$ 5,629,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	6/27/81	6/28/80
%Income bef. Taxes to Sales	4.19	3.30
%Net Income to Sales	3.30	2.27
%Net Income to Equity	15.34	9.96
Sales to Inventories	6.85	5.97
Working Capital	$1,680,000	$1,009,000
Current Ratio	1.47	1.32
Shareholders' Equity	$2,914,000	$2,500,620

Hazeltine Corporation

Commack, New York 11725
(516) 462-5100

Officers: Sal J. Nuzzo, president & chief executive officer; Albert Arbeeny, v.p.-color analysis & simulation; Henry L. Bachman, v.p.-operations, Government Products Division; Frederick C. Brehm, v.p.-Government Products Division; Joseph R. Colarusso, v.p.-business development; Randolph H. Cope, v.p.-research; Anthony M. Corrado, v.p.-operations, Industrial Products Division; James W. Evans, v.p.-marketing; Charles A. Parcinti, v.p.-Electro-Acoustic Systems Laboratory; John B. Gualfi, v.p. & controller; Raymond J. Hosko, v.p.-Operations Division; Herbert Hurbacher, v.p.-new business planning; David E. Kern, v.p.-finance & chief financial officer; Bernard D. Loughlin, v.p.-technology; Donald P.

Neuhaus, v.p.-Central Engineering specialties; Robert F. Normandin, v.p.-SEEK TALK Program; Walter B. O'Neil, v.p.-Washington office; John A. Sasso, v.p.-computer terminal equipment; Arthur J. Stanziano, v.p.-government affairs; Samuel M. Thomas, v.p.-communications products line; Edward Reynolds, treasurer; Kenneth P. Robinson, general counsel & secretary; James A. Kennedy asst. v.p.-financial analysis; Gene A. Egler, George s. Thomas, Walter Tedford, assistant vice presidents-International.

Directors: Harold A. Wheeler, James W. Evans, Wesley J. Hennessy, Bernard D. Loughlin, Charles A. Specht, Robert H. Clark, Jr., Sal J. Nuzzo, George E. Peterson, Jr., Richard T. Niner, John W. Dwyer, William F. Whitman, Jr., Herbert I. Fusfeld.

Areas of Work: Designs, develops and manufactures computer equipment, color film analyzers, graphic arts previewers, and government products consisting of air traffic control equipment; electronic displays for defense and other government purposes, including displays for use in early warning, command and control systems, tactical displays and digital video display systems; antisubmarine warfare equipment, aircraft identification (IFF) systems, and modems for communications.

Divisions:

Industrial Products Division
Greenlawn, New York 11740
(516) 261-7000

Government Products Division
Greenlawn, New York 11740
(516) 261-7000

Subsidiaries:

Imlac Corporation
150 A Street
New England Industrial Center
Needham, Massachusetts 02194
(617) 449-4600

188 Industrial Drive
Suite 315
Elmhurst, Illinois 60126
(312) 833-5060

Hazeltine Ltd.
Greenlawn, New York
London, England

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: HZ

Number of Employees:

1981	2,700	1978	2,600
1980	2,800	1977	2,200
1979	2,700		

Plant Footage:

1981	927,722 sq. ft.	1978	678,000
1980	871,000	1977	650,000
1979	871,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 145,514,000	$ 1,865,000
1980	133,799,000	4,840,000
1979	123,333,000	5,357,000
1978	105,931,000	4,362,000
1977	95,786,000	3,575,000

	No. of Com. Shares	Earn. per Share ‡
1981	2,055,429	$ 0.91
1980	2,047,204	2.37
1979	2,040,029	2.63
1978	2,031,579	2.14
1977	1,989,729	1.78

‡ Based on average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Gov't. products	$ 102,131	$ 86,424
Industrial products	43,383	47,375
Total	$ 145,514	$ 133,799

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.75	—	—
1979	0.55	—	—
1978	0.35	—	—
1977	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 45,450,000	$ 22.11
1980	45,124,000	22.04
1979	41,735,000	20.46
1978	37,471,000	18.44
1977	33,639,000	16.91

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 140,169,000	$ 126,318,000
Other income	5,345,000	7,481,000
Total Income	$ 145,514,000	$ 133,799,000
Cost of sales	106,314,000	92,989,000
Expenses	33,855,000	33,329,000
Other income	(2,230,000)	(1,928,000)
Interest expense	456,000	519,000
Discont. of Product line	(4,200,000)	—
Income before taxes	$ 2,919,000	$ 8,890,000
Income taxes	1,054,000	4,050,000
Net Income	$ 1,865,000	$ 4,840,000

Assets

As of Dec. 31	1981	1980
Cash	$ 1,264,000	$ 1,803,000
Temporary cash investment	9,477,000	11,804,000
Accts. receiv., net	23,089,000	23,139,000
*Inventories	29,246,000	25,683,000
Prepaid expenses	229,000	618,000
Current Assets	$ 63,305,000	$ 63,047,000
Property, Plant & Equipment	26,970,000	24,581,000
Other assets	2,007,000	2,630,000
Total Assets	$ 92,282,000	$ 90,258,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 491,000	$ 592,000
Accts. payable	7,310,000	9,240,000
Accruals	15,851,000	13,480,000
Deferred income taxes	5,842,000	4,801,000
Current Liabilities	$ 29,494,000	$ 28,113,000
Long-term debt	3,354,000	3,845,000
Deferred compensation	576,000	906,000
Deferred inc. taxes	13,408,000	12,670,000
+Common stock	14,526,000	14,557,000
Retained earnings	30,924,000	30,701,000
Treasury stock	—	(134,000)
Total Liabilities & Shareholders' Equity	$ 92,282,000	$ 90,258,000

* Industrial products inventory at lower of cost (FIFO) or market; government products inventory stated on basis of accumulated costs less portions of such costs allocated to products delivered, but not in excess of estimated recoverable amounts.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.08	6.86
%Net Income to Sales	1.33	3.73
%Net Income to Equity	4.10	10.73
Sales to Inventories	4.79	5.05
Working capital	$33,811,000	$34,934,000
Current Ratio	2.15	2.24
Shareholders' Equity	$45,450,000	$45,124,000

HCC Industries

16311 Ventura Boulevard
Suite 1180
Encino, California 91436
(213) 995-4131

Officers: Jack Goldfarb, chairman of the board, chief executive officer & president; Paul J. Schneider, v.p. & chief financial officer; Andrew Goldfarb, v.p.; Michael Pelta, v.p.; Eugene E. Harrison, secretary.

Directors: Jack Goldfarb, Michael Pelta, Andrew Goldfarb, Martin L. Berman, Robert Goldstein, Morris A. Steinberg, Eugene E. Harrison.

Areas of Work: Manufactures hermetic seals (terminals, headers, connectors and hybrid semi-conductor packages) and sensing devices (transducers) used principally in defense electronics, industrial controls, medical and exploration equipment and other applications. Also markets machine tools and designs and makes computer-controlled lathes, mills and machining centers, through its Cadillac Machines, Inc. subsidiary.

Subsidiaries:

Hermetic Seal Corporation
4232 Temple City Boulevard
Rosemead, California 91770

Transducer Controls Corporation
7800 Deering Avenue
Canoga Park, California 91304

Cadillac Machines, Inc.
1175 North Knollwood Circle
Anaheim, California 92801

HCC Israel
Hermetic Seal International, Inc.
TEDEA (51%owned)

Technological Development & Automation Ltd.
(51% owned)
Atidim Industrial Park
Tel Aviv, Israel

Manufactures transducers (lead cells) used principally in all types of electronic sales.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	335	1980	299

Plant Footage:

1981	100,000 sq. ft.

Sales and Earnings

	Net Sales †	Net Income
1982	$ 16,082,000	$ 895,000
1981	14,612,000	1,668,000
1980	10,688,000	1,444,000

	No. of Com. Shares +	Earn. per Share ‡
1982	1,910,200	$ 0.47
1981	1,915,400	0.91
1980	1,608,400	0.90

† Of continuing operations only.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

+ Adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1982	$0.06	—	—
1981	0.06	—	—
1980	0.06	—	2-for-1
1979	0.055	—	—
1978	0.0375	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1982	$ 9,226,000	$ 4.83
1981	8,478,000	4.43
1980	4,359,000	2.71
1979	3,010,970	1.87
1978	2,236,002	1.39

+ Adjusted to reflect stock splits.

Income Account *

Year ended	4/3/82	3/28/81
Net sales	$ 16,082,000	$ 14,612,000
Cost of sales	8,411,000	7,252,000
Expenses	3,920,000	3,528,000
Interest income	(1,639,000)	(193,000)
Eq. in earn. of unconsol. subsid.	(339,000)	(4,000)
Interest expense	1,542,000	854,000
Income before taxes	$ 4,187,000	$ 3,775,000
Income taxes	1,674,000	1,767,000
Minority interest	188,000	159,000
Inc.-cont. oper.	$ 2,325,000	$ 1,849,000
Loss-discont. oper.	(1,430,000)	(181,000)
Net Income	$ 895,000	$ 1,668,000

* Included in Costs and Expenses, Depreciation and Amortization: $209,000 in 1981 and $305,000 in 1980.

Assets

As of	4/3/82	3/28/81
Cash	$ 9,147,000	$ 7,267,000
Marketable securities	1,580,000	1,030,000
Accts. receiv., net	2,847,000	3,031,000
* Inventories	2,255,000	1,659,000
Inc. tax refl receiv.	2,358,000	—
Notes receiv.	1,031,000	181,000
Assets of discont. oper.	—	4,642,000
Current Assets	$ 19,218,000	$ 17,810,000
#Fixed assets	2,066,000	1,930,000
Other assets	2,126,000	2,532,000
Total Assets	$ 23,410,000	$ 22,272,000

Liabilities

	4/3/82	3/28/81
Notes payable	$ 914,000	$ 497,000
Accts. payable & accruals	2,684,000	2,612,000
Income taxes payable	—	126,000
Curr. Liabilities	$ 3,598,000	$ 3,235,000
Long-term debt	10,355,000	10,498,000
Minority interest	231,000	61,000
Common stock	2,989,000	3,021,000
Retained earnings	6,237,000	5,457,000
Total Liabilities & Shareholders' Equity	$ 23,410,000	$ 22,272,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.

Statistical Summary

%Net Income to Equity	9.70	19.67
Sales to inventories	7.13	8.81
Working Capital	$15,620,000	$14,575,000
Current Ratio	5.34	5.51
Shareholders' Equity	$ 9,226,000	$ 8,478,000

Hermetite Corp.

100 Ladge Drive
Electronics Park
Avon, Massachusetts 02322
(617) 583-7000

Officers: Morton Ladge, president & treasurer; John G. Con vey, v.p.-mfg.; Francis G. Vaccaro, v.p.-engineering; John Ladge, v.p.-marketing; Lawrence M. Levinson, clerk & general counsel; Robert W. Weinstein, asst. clerk.

Directors: Morton Ladge, John G. Convey, Francis G. Vaccaro, John Ladge.

Areas of Work: Manufactures and sells a line of hermetic seals for the electronics and electrical industries.

Subsidiaries:

Norfolk Avon Realty Trust
100 Ladge Drive
Avon, Massachusetts 02322

Transfer Agent(s):

United States Trust Company
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Plant Footage:

1981	37,000 sq. ft.	1978	37,000
1980	37,000	1977	37,000
1979	37,000		

Sales and Earnings #

	Net Sales	Net Income
1981	$ 9,483,350	$ 446,022
1980	11,167,718	487,194
1979	8,525,078	7,72308
1978	7,567,889	(99,087)
1977	7,500,768	(138,592)

	No. of Com. Shares	Earn. per Share #
1981	414,800	$ 1.12
1980	414,800	1.17
1979	414,800	0.19
1978	414,800	—
1977	414,800	—

(Loss)
# Based on the weighted average number of common shares outstanding.
+ Restated due to correction of pension expense & overstated inventory in August, 1980.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 3,082,586	$ 7.36
1980	2,616,564	6.31
1979	2,129,370	5.13
1978	2,012,347	4.85

‡ Restated.

Income Account *

Year ended Aug. 31	1981	1980 ‡
Net sales	$ 9,483,550	$ 11,167,718
Interest & other income	(16,882)	—
Cost of sales	7,214,074	8,619,708
Expenses		1,348,672
Interest expense	215,066	192,410
Embezzlement & other discrep.	9,600	119,909
Insur. rec.-Embezl	(162,000)	—
Income before taxes	$ 891,381	$ 987,019
Income taxes	425,359	499,825
Net Income	$ 466,022	$ 487,194

* Included in Costs and Expenses, Depreciation: $73,275 in 1980 and $75,774 in 1979.
‡ Restated.

Assets

As of Aug. 31	1981	1980 ‡
Cash	$ 199,909	$ 534,300
Marketable securities	9,306	9,306
Accts. & notes receiv., net	1,381,900	1,622,415
— — —	427,574	—
*Inventories	2,667,723	2,629,883
Prepaid expenses	56,878	288,401
Current Assets	$ 4,743,290	$ 5,084,309
#Fixed Assets	572,415	554,691
Other assets	112,972	130,947
Total Assets	$ 5,428,667	$ 5,769,947

Liabilities

	1981	1980 ‡
Long-term debt, curr	$ 31,581	$ 231,307
Accts. payable	674,564	599,300
Accruals	574,617	463,919
Contracts payable	2,025	6,075
Federal income taxes	—	453,791
Curr. Liabilities	$ 1,282,787	$ 1,754,392
Long-term debt	1,063,304	1,394,941
Deferred contracts payable	—	4,050
+Common stock	41,480	41,480
Add. paid-in capital	636,941	636,941
Retained earnings	2,404,165	1,938,143
Total Liabilities & Shareholders' Equity	$ 5,428,677	$ 5,769,947

‡ Restated.
* At lower of estimated cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.40	8.84
%Net Income to Sales	4.91	4.36
%Net Income to Equity	15.12	18.62
Sales to Inventories	3.55	4.25
Working Capital	$3,460,503	$3,329,917
Current Ratio	3.70	2.90
Shareholders' Equity	$3,082,586	$2,616,564

Hewlett-Packard Company

3000 Hanover Street
Palo Alto, California 94304
(415) 857-1501

Officers: David Packard, chairman of the board; William R. Hewlett, chairman of the executive committee; John A. Young, president & chief executive officer; Robert L. Boniface, Paul C. Ely, Jr., William E. Terry, Dean O. Morton, executive vice presidents; William P. Doolittle, sr. v.p.-international; Alfred P. Oliverio, sr. v.p.-marketing; Edwin E. van Bronkhorst, sr. v.p. & treasurer; Richard C. Alberding, v.p. & general manager-Medical Products Group; Jean C. Chognard, v.p.-patents & licenses; Raymond M. Demere, Jr., v.p.-corp. manufacturing services; John L. Doyle, v.p.-research & development; Franco Mariotti, v.p.-Europe; W. Bruce Wholey, v.p.-corp. services; S.T. Jack Brigham, III, secretary & general counsel.

Directors: David Packard, chairman; William R. Hewlett, Paul C. Ely, Jr., William E. Terry, Luis W. Alvarez, Ernest C. Arbuckle, George F. Bennett, Robert Minge Brown, William P. Doolittle, Robert J.Glaser, Edwin E. van Bronkhorst, Robert L. Boniface, Antonie T. Knoppers, John A. Young, James D. Hodgson, Dean O. Morton, John B. Ferry, Harold J. Haynes.

Areas of Work: Through the instrument and components group, manufactures electronic test and measurement products. These products include microwave semiconductors, light emitting diodes and fiber optic components, logic analyzers, voltmeters, frequency analyzers, power supplies, board testers, plotters, recorders, oscilloscopes, counters,frequency sources, network and signal analyzers, signal generators, automated test equipment, distance measurement instruments, component measurement equipment and micro processor development systems. Computer and personal computation groups manufacture electronic data products. These products include small to meduim scale computer systems for business, scientific and industrial applications, desktop computers, personal computers, personal scientific and business programmable calculators, data terminals, printers and disk and tape memories. The medical group manufactures medical electronic equipment. These products include continuous monitoring systems, fetal monitors, electrocardiographs and related interpretive and stress, pulmonary function analyzers, cardiac catheterization laboratory systems, blood gas measuring instruments, ultrasonic imaging systems, blood gas measuring instruments, ultrasonic imaging systems cardia defibrillators and hospital supplies. Products of the analytical instrumentation group include gas chromatographs, liquid chromatographs, mass spectrometers combined with chromatographs, spectrophotometers, laboratory automation systems and integrators.

Manufacturing Divisions & Subsidiaries:

Avondale Division
Route 41 & Starr Road
Avondale, Pennsylvania 19311
(215) 268-2281

Colorado Springs Division
P.O. Box 2197
Colorado Springs, Colorado 80901
(303) 598-1900

Data Systems Division
11000 Wolfe Road
Cupertino, California 95014
(408) 257-7000

Loveland Instrument Division
P.O. Box 301
815 Fourteenth Street, S.W.
Loveland, Colorado 80537
(303) 667-5000

Waltham Division
175 Wyman Street
Waltham, Massachusetts 02154
(617) 890-6300

Stanford Park Division
3000 Hanover Street
Palo Alto, California 94304
(415) 857-1501

Corvallis Division
1000 N.E. Circle Blvd.
Corvallis, Oregon 97330
(503) 757-2000

Desktop Computer Division
3400 East Harmoney Road
Fort Collins, Colorado 80525
(303) 226-3800

Spokane Division
1620 Signal Drive
TAFC-34
Spokane, Washington 99220
(509) 922-4001

Computer Systems Division
19447 Pruneridge Avenue
Cupertino, California 95050
(408) 725-8111

Disc Memory Division
11413 Chinden Blvd.
Boise, Idaho 83707
(208) 376-6000

New Jersey Division
Green Pond Road
Rockaway, New Jersey 07866
(201) 627-6400

Vancouver Division
2400 N.E. 65th Avenue
Vancouver, Washington 98661
(206) 699-4535

San Diego Division
16399 Bernardo Drive
San Diego, California 92127
(714) 487-4100

Boise Division
11311 Chinden Blvd.
Boise, Idaho 83707
(208) 376-6000

McMinnville Division
1700 S. Baker Street
McMinnville, Oregon 97128
(503) 472-5101

Network Measurement Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400

Santa Clara Division
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300

Scientific Instruments Division
1601 California Avenue
Palo Alto, California 94304
(415) 857-1501

Andover Division
1776 Minuteman Drive
Andover, Massachusetts 01810
(617) 687-1501

Microwave Semiconductor Division
350 West Trimble Road
San Jose, California 95131
(408) 263-7500

Optoelectronics Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-1502

Hewlett-Packard GmbH
Herrenbergerstrasse, 110
D-7030 Boeblingen, Wurttemberg
West Germany

Yokogawa-Hewltt-Packard Ltd.
9-1, Takakura-cho
Hachioji-shi
Tokyo 192, Japan

Hewlett-Packard Ltd.
South Queensferry
West Lothian EH309TG
Scotland

Hewlett-Packard France S.A.
5, Avenue Raymond Chanas
F-38320 Eybens, France

Hewlett-Packard Do Brasil I.E.C. Ltda.
Rue Hum 681
Jardin San Pedro
CP 1349
13100 Campinas, SP, Brazil
Brazil

Hewlett-Packard (Malaysia) Sdn. Bhd.
Bayan Lepas Free Trade Zone
Penang, Malaysia 831306

Hewlett-Packard Singapore (Pte) Ltd.
1150 Depot Road
Alexandra P.O. Box 58
Singapore 9115

Colorado Telecommunications Division
5070 Centennial Boulevard
Colorado Springs, Colorado 80907
(303) 593-8700

Computer Support Division
19310 Pruneridge Avenue
Cupertino, California 95014
(408) 966-9383

Data Terminals Division
974 E. Arques Avenue
Sunnyvale, California 94086
(408) 735-1550

General Systems Division
19410 Homestead Road
Cupertino, California 95014
(408) 725-8111

Greeley Division
3404 East Harmony Road
Fort Colins, Colorado 80525
(303) 226-3800

Information Systems Division
19420 Homestead Road
Cupertino, California 95014
(408) 725-8111

Maufacturing Division
395 Page Mill Road
Palo Alto, California 94306
(415) 857-1501

Roseville Division
8000 Foothills Boulevard
Roseville, California 95678
(916) 786-2001

Signal Analysis Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400

Hewlett-Packard GmbH
P.O. Box 1280
D-7517 Waldbronn 2
Germany

Transfer Agent(s):

Crocker National Bank
150 Post Street
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: HWP

Number of Employees:

1981	64,000	1978	42,400
1980	57,000	1977	35,100
1979	52,000		

Plant Footage:

1981	11,178,000 sq.ft.	1978	8,187,000
1980	9,791,000	1977	7,446,000
1979	9,078,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 3,578,000	$ 312,000
1980	3,099,000	269,000
1979	2,361,000	203,000
1978	1,737,000	153,000
1977	1,368,000	121,500

	No. of Com. Shares +	Earn. per Share ‡
1981	123,000,000	$ 2.55
1980	120,000,000	2.23
1979	118,000,000	1.72
1978	116,000,000	1.32
1977	114,000,000	1.07

† Adjusted to reflect stock splits.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Test, measuring & related items	$ 1,349,000	$ 1,200,000
Electronic data products	1,771,000	1,510,000
Medical electronic equipment	273,000	230,000
Analytical instrumentation	185,000	159,000
Total	$ 3,578,000	$ 3,099,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.22	—	2-for-1
1980	0.20	—	—

1979	0.17	—	2-for-1
1978	0.12	—	—
1977	0.10	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity
(000's)

	Total Equity	Equity Per Share ‡
1981	$ 1,920,000	$ 15.61
1980	1,547,000	12.89
1979	1,235,000	10.47
1978	1,002,000	8.64
1977	824,400	7.23

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1981	1980
Net sales	$ 3,578,000	$ 3,099,000
Cost of sales	1,703,000	1,475,000
Expenses	1,295,000	1,101,000
Income before taxes	$ 580,000	$ 523,000
Income taxes	268,000	254,000
Net Income	$ 312,000	$ 269,000

* Included in Costs and Expenses, Depreciation and Amortization: $120,000,000 in 1981 and $93,000,000 in 1980.

Assets
(000's)

As of Oct. 31	1981	1980
Cash & cash investments	$ 290,000	$ 247,000
Accts. receiv., net	682,000	622,000
*Inventories	642,000	545,000
Deferred inc. taxes	91,000	77,000
Current Assets	$ 1,705,000	$ 1,491,000
#Fixed assets	979,000	789,000
Other assets	74,000	57,000
Total Assets	$ 2,758,000	$ 2,337,000

Liabilities
(000's)

	1981	1980
Notes payable	$ 144,000	$ 143,000
Accts. payable	143,000	104,000
Accruals	308,000	297,000
Income taxes	109,000	147,000
Curr. Liabilities	$ 704,000	$ 691,000
Long-term debt	26,000	29,000
Deferred inc. taxes	108,000	70,000
+ Common stock & add. paid-in capital	481,000	393,000
Retaned earnings	1,439,000	1,154,000
Total Liabilities & Shareholders' Equity	$ 2,758,000	$ 2,337,000

* At standard cost, (which approximates FIFO) not in excess of replacement market.
# Less accumulated depreciation and amortization.
+ $1 per value.

Statistical Summary

%Income bef. Taxes to Sales	16.21	16.88
%Net Income to Sales	8.72	8.68
%Net Income to Equity	16.25	17.39
Sales to Inventories	5.57	5.69
Working Capital	$1,001,000,000	$ 800,000,000
Current Ratio	2.42	2.16
Shareholders' Equity	$1,920,000,000	$1,547,000,000

The Hickok Electrical Instrument Company

10514 Dupont Avenue
Cleveland, Ohio 44108
(216) 541-8060

Officers: Robert D. Hickok, chairman & president; Robert L. Purcell, executive vice president; Robert L. Bauman, corporate vice president; James F. Hughes, v.p.-manufacturing.

Directors: Robert D. Hickok, chairman; Thomas H. Barton, H. Bruce Boal, Max J. Lerner, George S. Lockwood, Jr., P.H. Neville, Robert A. Nieminen, Robert L. Purcell, Harry J. Fallon, Robert L. Bauman.

Areas of Work: Develops, manufactures, and markets high technology precision indicating instruments, educational and electronic test equipment. Also develops and markets scientific and vocational training programs. Owns and operates a vocational training institute. The indicating instruments and meters produced by the company are used in the aircraft industry, laboratory research, and electronic maintenance.

Subsidiaries:

Supreme Electronics Corp.
1714-16 Carrollton
Greenwood, Mississippi 38930
(601) 453-6212

Electronic test equipment, specialized measuring devices and indicating instruments.

Hickok Teaching Systems, Inc..
Wheeling Road
Woburn, Massachusetts 01801
(617) 935-5850

Systems to assist in the teaching of the sciences and vocational school training equipment.

Hickok Technical Institute
2341 Carnegie Avenue
Cleveland, Ohio 44108
(216) 696-2626

Private technical schools for teaching vocational skills.

Transfer Agent(s):

Union Commerce Bank
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income †
1981	$ 7,473,507	$ (415,954)
1980	7,894,538	197,228
1979	8,365,283	(49,487)
1978	7,224,1-9	168,691
1977	6,823,772	(218,000)

	No. of Com. Share +	Earn. per Share † +
1981	605,427	$ —
1980	605,372	0.33
1979	602,803	—
1978	597,954	0.28
1977	589,657	—

(Loss)
† Including extrordinary gains of $70,000 ($0.12 per share) in 1980, $94,000 ($0.16 per share) in 1978 and $5,000 ($0.01 per share) in 1977.
+ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,224,971	$ 3.68
1980	2,640,925	4.36
1979	2,443,527	4.05
1978	2,490,340	4.16
1977	2,316,605	3.93

‡ Based on average number of shares outstanding.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 7,473,507	$ 7,894,538
Cost of sales	4,101,535	4,345,515
Prod. develop.	508,120	611,181
Expenses	2,784,356	2,364,144
Interest expense	495,450	401,470
Gain from fire loss	—	(25,000)
Income (loss) before taxes	$ (415,954)	$ 197,228
Income taxes	—	70,000
Net Income (Loss)	$ (415,954)	$ 127,228
Extraord. gain	—	70,000
Net Income (Loss) & extraord. gain	$ (415,954;	$ 197,228

* Included in Costs and Expenses, Depreciation: $111,232 in 1981 and $93,695 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 61,232	$ 73,198
Accts. receiv., net	2,922,683	3,396,331
* Inventories	2,724,951	3,028,768
Prepaid expenses	16,782	54,629
Current Assets	$ 5,725,648	$ 6,552,926
Cash value of life insurance	43,731	52,528
# Fixed assets	577,257	574,302
Trade note receiv.	—	14,668
Other assets	5,000	10,000
Prepaid rent & other deposits	6,148	6,167
Total Assets	$ 6,357,784	$ 7,210,591

Liabilities

	1981	1980
Notes payable	$ 2,225,000	$ 2,245,000
Long-term debt, curr.	126,598	129,570
Accts. payable	803,411	1,247,742
Accruals	799,804	642,757
Curr. Liabilities	$ 3,954,813	$ 4,265,069
Long-term debt,	178,000	304,597
+ Common stock:		
Class A	359,607	359,607
Class B	245,820	245,820
Add. paid-in capital	1,270,468	1,270,468
Retained earnings	349,076	765,030
Total Liabilities & Shareholders' Equity	$ 6,357,784	$ 7,210,591

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.50
%Net Income to Sales	—	1.61
%Net Income to Equity	—	4.82
Sales to Inventories	2.74	2.61
Working Capital	$1,770,835	$2,287,857
Current Ratio	1.45	1.54
Shareholders' Equity	$2,224,971	$2,640,925

HI-G, Incorporated

580 Spring Street
Windsor Locks, Connecticut 06096
(203) 623-2481

Officers: Alvin Lukash, chairman of the board, president, and chief executive officer; Seth M. Lukash, sr. v.p.; S. Leo Branca, v.p.-financial administration & planning; Ira Cohen, v.p. & treasurer; Stephen H. Friedman, v.p.-marketing; John Moran, Paul Donoghue, v.p.'s; Leslie I. Lukash, secretary; Phil David Fine, assistant secretary.

Directors: Martin Berman, Alvin Lukash, Phil David Fine, Seth Lukash, Ephron Catlin, Leslie I. Lukash, Conrad J. Kronholm, Jr.

Areas of Work: Designs, manufactures, and sells hermetically sealed, miniature and micro-miniature relays, as well as transformers, printed circuit boards and various other electronic components. These components are used in aircraft and aerospace products, missile and other industrial and consumer electronic products. Also manufactures and sells synthesized voice response electronic data processing terminals and machined metal parts.

Subsidiaries:

Hi-G Co., Inc.
Spring Street and Route 75
Windsor Locks, Connecticut 06096
(203) 623-2481

Manufactures miniature and microminiature hermetically sealed electromechanical relays. Manufactures solid state timers and sensors.

Merrimack Magnetics Corporation
361 Aiken Street
Lowell, Massachusetts 01850
(617) 458-1487

Manufacturer of ferror resonant transformers for computers, computer peripheral equipment and other electronic equipment.

Transcom Incorporated
580 Spring Street
Windsor Locks, Connecticut 06096
(203) 243-1486

Audio response terminals designed for multiple station users in computer communication systems.

Cambridge Products Corporation
244 Woodland Avenue
Bloomfield, Connecticut 06002
(203) 243-1761

Manufacturer and distributor of coaxial connectors for CB's, CATV and telecommunication.

Magnetec Corporation
96 Granby Street
Bloomfield, Connecticut 06002
(203) 243-8942

Designs and manufactures diversified line of industrial solenoids.

Hi-G D'Italia S.p.A.
Cisterna di Latina, Italy

Manufactures relays and switches for European distribution.

Hi-G International, Inc.
580 Spring Street
Windsor Locks, Connecticut 06096
(203) 623-2481

Merrimack Myrra S.A.
Creteil, France

Manufactures transformers and other precision power products.

Hi-G, Ltd.
London, England

Represents the Company's domestic and foreign manufacturing operations in the United Kingdom and the Commonwealth countries.

Hi-G International Srl
Rome, Italy

Hi-G Relais Vert GmbH
Hamburg, West Germany

Represents the Company's domestic and foreign manufacturing operations in Germany.

Hi-G Ireland Ltd.
Waterford
Republic of Ireland

Hi-G Realty Corporation

Allu Realty Trust
Allu Realty Corporation

Computer Magnetics Corporation

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02125

Stock Exchange(s): American

Ticker Symbol: HGI

Number of Employees:

1980	1,762	1977	1,600
1979	1,793	1976	1,600
1978	1,604		

Plant Footage:

1980	450,000 sq. ft.	1977	270,000
1979	359,400	1976	270,000
1978	350,400		

Sales and Earnings

	Net Sales	Net Income #
1980	$ 51,392,313	$ 2,773,350
1979	47,232,276	1,324,736
1978	39,010,899	894,839
1977	30,481,259	118,215
1976*	26,111,830	292,798

	No. of Com. Shares †	Earn. per Share # †
1980	1,292,430	$1.93
1979	1,293,839	0.99
1978	1,298,064	0.69
1977	1,322,833	0.09
1976*	1,344,612	0.22

* 53 weeks.

# Including extraordinary gains of $1,034,000 ($0.67 per share) in 1980 and $26,000 ($0.02 per share) in 1979.

† Based on weighted average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.12	5%	—
1979	0.03	5%	—
1978	—	5%	—
1977	—	—	—
1976	—	3%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1980	$ 10,284,958	$7.96
1979	8,002,313	6.18
1978	6,686,447	5.15
1977	5,840,688	4.42
1976	5,824,276	4.33

# Based on weighted average number of common shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	3/29/80	3/31/79
Net sales	$ 51,392,313	$ 47,232,276
Cost of sales	38,609,421	36,193,963
Expenses	11,044,231	8,889,108
Other income	(1,350,349)	(133,732)
Income before taxes	$ 3,089,010	$ 2,282,937
Income taxes	1,350,000	958,201
Net Income	$ 1,739,010	$ 1,324,736
Extraord. gain	1,034,340	—
Net income & extraord. gain	$ 2,773,350	$ 1,324,736

* Included in Costs and Expenses, Depreciation and Amortization: $1,334,499 in 1980 and $1,090,212 in 1979.

Assets

As of	3/29/80	3/31/79
Cash	$ 1,180,445	$ 754,689
Receiv., net	9,452,403	9,273,288
Insur. claim receiv.	1,416,078	
* Inventories	15,272,858	12,392,242
Prepaid expenses & other	639,826	375,832
Current Assets	$ 27,961,610	$ 22,796,051
# Fixed assets	14,700,874	9,210,274
Other assets	532,649	513,233
Intangibles	1,380,731	1,445,038
Total Assets	$ 44,575,864	$ 33,964,596

Liabilities

Notes & loans payable	$ 10,605,979	$ 7,134,325
Long-term debt, curr.	1,256,040	624,844
Accts. payable	4,345,631	4,804,387
Accruals	2,508,735	1,695,102
Income taxes	715,723	548,195
Curr. Liabilities	$ 19,432,108	$ 14,806,853
Long-term debt	6,611,081	4,117,874
6% debentures	5,979,000	6,349,000
Deferred inc. taxes	1,767,530	329,556
Other liabilities	501,187	359,000
+ Common stock	326,446	310,368
Add. paid-in capital	5,665,981	5,139,857
Retained earnings	4,837,608	2,726,875
Treasury stock	(545,077)	(174,787)
Total Liabilities & Shareholders' Equity	$ 44,575,864	$ 33,964,596

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	6.01	4.83
% Net Income to Sales	3.38	2.80
% Net Income to Equity	16.91	16.55
Sales to Inventories	3.36	3.81
Working Capital	$ 8,529,502	$ 7,630,198
Current Ratio	1.44	1.50
Shareholders' Equity	$ 10,284,958	$ 8,002,313

High Voltage Engineering Corporation

South Bedford Street
Burlington, Massachusetts 01803
(617) 272-1313

Officers: Pascal Levesque, chairman of the board, president & chief executive officer; Robert O. Svensson, v.p. & treasurer; Gordon R. Hamilton, Jr., v.p.-industrial relations; Donald R. Reilly, general counsel & clerk; Irene A. Doyle, asst. clerk.

Directors: Pascal Levesque, chairman; William W. Buechner, Belmont Towbin, Milton P. Brown, Rolf Eliassen, Ernest F. Stockwell, Samuel Goldblith, Jr.

Areas of Work: Manufacturer of plastic insulation products, electrical connectors, switches, wire and cable, builders' instruments, particle accelerators and electron processing systems and scientific equipment, optical surveying and alignment instruments, hardness test equipment for metals and rubber, battery motive connectors, high current control systems and instrumentation for measurement of AC & DC current, primarily to the electrical and electronics industries.

Divisions and Subsidiaries:

Anacon, Inc. (96% owned)
Burlington, Massachusetts

Anacon (Instruments) Ltd.
Maidenhead, England

Anderson Power Products, Inc.
Boston, Massachusetts

Carbolon Corporation
Sterling, Massachusetts

Berger Instruments Division
Boston, Massachusetts

Culver-Stearns Manufacturing Company
Worcester, Massachusetts

Electronized Chemicals Corporation
Burlington, Massachusetts

Astrodyne, Inc.
Hudson, New Hampshire

Judd Wire Division
Turner Falls, Massachusetts

Halmar Electronics, Inc.
Columbus, Ohio

High Voltage Engineering Corporation-Burlington Division
Burlington, Massachusetts

HIVEC B. V.
High Voltage Engineering Europa B.V.
Electronized Chemicals Europa B.V.
Amersfoort, The Netherlands

Ion Physics Company
Burlington, Massachusetts

Nissin High Voltage Co., Ltd. (50% owned)
Kyoto, Japan

Waters Equipment
Marlborough, Massachussetts

Roanwell Corporation
New York, New York

The Winatic Corporation
Vestal, New York

Transfer Agent(s):

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): New York

Number of Employees:

1980	1,924	1977	1,340
1979	1,924	1976	1,074
1978	1,956		

Sales and Earnings ‡

	Net Sales	Net Income †
1981	$ 91,125,000	$ 4,222,000
1980	88,000,000	4,143,000
1979	78,803,000	3,921,000
1978	71,346,000	3,599,000
1977	59,714,000	2,432,000

	No. of Com. Shares	Earn. per Share +
1981	5,724,104	$ 0.74
1980	4,900,741	0.85
1979	4,630,023	0.85

‡ Restated to include operations of companies acquired on a pooling of interests basis.
† Including extraordinary gain of $50,000 in 1977.
+ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Plastics	$ 22,714,000	$ 20,765,000
Electrical components	38,819,000	39,613,000
Electrical machinery & equip.	14,934,000	15,307,000
Industrial instruments	17,704,000	14,522,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.14	—	—
1979	0.12	—	—
1978	0.10	—	—
1977	0.07	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 56,875,000	$ 9.85
1980	50,452,000	9.24

‡ Restated to include operations of companies acquired on a pooling of interests basis.

Income Account *
(000's)

Year ended	12/26/81	12/27/80
Net sales	$ 92,125	$ 88,000
Cost of sales	68,054	64,464
Expenses	16,261	16,040
Other income	(661)	(744)
Interest expense	549	1,197
Income before taxes	$ 7,922	$ 7,043
Income taxes	3,700	2,900
Net Income	$ 4,222	$ 4,143

*Included in Costs and Expenses, Depreciation and Amortization: $3,219,000 in 1981 and $2,744,000 in 1980.

Assets
(000's)

As of	12/26/81	12/27/80
Cash	$ 355	$ 169
Cert. of deposit	4,109	4,208
Notes receiv.	101	235
Accts. receiv., net	15,687	13,102
Unbilled port. of work	3,661	2,711
*Inventories	26,913	25,539
Prepaid expenses	826	724
Current Assets	$ 51,552	$ 46,688
Investments	672	540
Note Receiv.	—	213
#Fixed assets	25,164	24,516
Other assets	232	205
Intangibles	2,933	1,957
Total Assets	$ 80,653	$ 74,119

Liabilities
(000's)

Long-term debt.curr.	$ 1,813	$ 1,664
Accts. payable	4,230	2,980
Accruals	3,850	3,936
Advance payments	1,393	1,693
Income taxes	1,371	477
Deferred income taxes	185	8
Curr. Liabilities	$ 12,842	$ 10,758
Long-term debt	9,143	11,551
Deferred inc. taxes	1,793	1,358
+Common stock	5,863	5,549
Add paid-in capital	19,716	16,458
Retained earnings	32,256	28,901
Currency translation adjustments	(558)	—
Treasury stock	(402)	(456)
Total Liabilities & Shareholders' Equity	$ 80,653	$ 74,119

* At cost (FIFO & average) but not in excess of net realizable value.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.60	8.00
%Net Income to Sales	4.58	4.71
%Net Income to Equity	7.42	8.21
Sales to Inventories	3.42	3.45
Working Capital	$38,810,000	$35,930,000
Current Ratio	4.02	4.34
Shareholders' Equity	$56,875,000	$50,452,000

Hipotronics, Inc.

P.O. Drawer A
Brewster, New York 10509
(914) 279-8091

Officers: Stanley G. Peschel, chairman of the board & president; A. Stuart Denholm, v.p.-research & business development; George Kollitides, v.p.-operations; Alice M. Forrest, secretary; Barbara P. Gaines, controller & asst. treasurer.

Directors: Stanley G. Peschel, Richard A. Mahler, William J. Florence, Jr., Stephen S. Peschel.

Areas of Work: Designs and manufactures high voltage devices and systems to test materials and equipment used in the transmission of electricity; also designs and manufactures test equipment and high voltage power supplies for use in the electronics industry. Products include AC/DC dielectric test systems, capacitors, DC insulation test equipment, wire sparkers, cable fault location, AD-DC hipot testers and megohmmeters, power supplies, corona test systems, automatic sequential test systems, transformers, magnet wire test systems and miscellaneous high voltage hardware and accessories.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: HIP

Number of Employees:

1981	197	1979	161
1980	175		

Plant Footage:

1981	79,000 sq. ft.	1979	74,000
1980	74,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 15,810,797	$ 2,302,956
1980	11,061,557	1,343,030
1979	9,679,934	1,046,869
1978	7,903,888	587,659
1977	7,255,564	797,331

	No. of Com. Shares †	Earn. per Share †
1981	1,993,219	$ 1.16
1980	1,973,050	0.68
1979	2,049,540	0.51
1978	2,175,698	0.27
1977	2,220,272	0.36

† Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 10,424,707	$ 5.23
1980	8,333,337	4.23
1979	7,069,258	3.45
1978	6,938,833	3.19
1977	6,761,904	3.05

+ Adjusted to refect stock split.

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 15,810,797	$ 11,061,557
Cost of sales	8,468,793	6,258,932
Expenses	3,535,572	2,507,407
Oper. profit	$ 3,806,432	$ 2,295,218
Other income	114,059	15,289
Total	$ 3,920,491	$ 2,310,507
Interest expense	11,535	14,027
Income before taxes	$ 3,908,956	$ 2,296,480
Income taxes	1,606,000	953,450
Net Income	$ 2,302,956	$ 1,343,030

* Included in Costş and Expenses, Depreciation: $312,952 in 1981 and $269,980 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 904,584	$ 322,004
Accts. receiv., net	3,512,823	2,895,621
Rev. earned in exc. of billings	878,750	320,398
*Inventories	5,275,787	4,030,551
Prepaid expenses	37,672	24,850
Current Assets	$ 10,609,616	$ 7,593,424
#Fixed assets	2,457,414	2,290,698
Other assets	128,974	132,648
Total Assets	$ 13,196,004	$ 10,016,770

Liabilities

	1981	1980
Long-term debt, curr.	$ 29,000	$ 29,000
Accts. payable	626,193	418,590
Accruals	445,715	307,203
Accrued payroll	165,091	85,561
Income taxes	321,735	232,402
Deferred inc. taxes	650,300	230,300
Cust. deposits	438,013	266,127
Curr. Liabilities	$ 2,676,047	$ 1,569,183
Long-term debt	29,000	58,000
Deferred inc. taxes	66,250	56,250
+Common stock	227,417	226,277
Add. paid-in capital	3,396,603	3,349,948
Retained earnings	7,795,805	5,752,230
Treasury stock	(995,118)	(995,118)
Total Liabilities & Shareholders' Equity	$ 13,196,004	$ 10,016,770

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income before Taxes to Sales	24.72	20.76
%Net Income to Sales	14.57	12.14
%Net Income to Equity	22.09	16.12
Sales to Inventories	3.00	2.74
Working Capital	$ 7,933,569	$6,024,241
Current Ratio	3.96	4.84
Shareholders' Equity	$10,424,707	$8,333,337

Hittman Corporation

9190 Red Branch Road
Columbia, Maryland 21045
(301) 730-7800

Officers: Fred Hittman, president; Barry Koh, v.p.; Harry W. Feinstein, v.p. & secretary; Harry L. Lipsitz, treasurer.

Directors: Fred Hittman, Robert Levi, Glen A. Tobias, Oliver J. Travers, Jr., William O. Doub.

Subsidiaries:

Hittman Associates, Inc.
9151 Rumsey Road
Columbia, Maryland 21045
(301) 730-7800

Provides toxic-waste laboratory analysis, environmental engineering and monitoring for business and government.

Hittman Nuclear & Development Corporation
9151 Rumsey Road
Columbia, Maryland 21045
(301) 730-7800

Provides services and equipment related to the handling, packaging and disposal of radioactive materials for the nuclear power industry.

Hittman Medical Systems, Inc.
9050 Red Branch Road
Columbia, Maryland 21045
(301) 997-3400

Designs, develops, manufactures, and markets cardiovascular and neurological diagnostic treatment and rehabilitation equipment.

Hittman Materials & Medical Components, Inc.
9190 Red Branch Road
Columbia, Maryland 21045
(301) 730-7800

Supplies metal-ceramic feedthroughs used to hermetically seal cardiac pacemakers, develops and manufactures high-reliability metal-ceramic components for the electronics industry.

Transfer Agent(s):

Mercantile Safe Deposit & Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HITT (NASDAQ)

Number of Employees:

1980	336	1977	325
1979	307	1976	275
1978	300		

Sales and Earnings

	Revenues †	Net Income ‡
1981	$ 19,629,100	$ 20,100
1980	16,904,900	853,500
1979	13,597,500	149,200
1978	12,596,000	97,200
1977	10,822,700	675,700

	No. of Com. Shares +	Earn. per Share + ‡
1981	1,051,062	$ 0.02
1980	1,033,430	0.83
1979	1,033,340	0.14
1978	1,031,381	0.09
1977	1,026,836	0.66

# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
† Of Continuing operations only.
‡ Including extraordinary gain of $427,7000 ($0.41 per share) in 1980 and extraordinary loss of $102,700 ($0.10 per share) in 1979.
+ Based on the weighted average number of common shares and common share equivaients outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1981	1980
Energy & environmental	$ 17,282,800	$ 15,385,100
Medical inst. & components	2,346,300	5,235,900
Total	$ 19,629,100	$ 20,621,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.10	—	3-for-2
1980	0.067	—	—
1979	0.067	—	—
1978	0.10	2%	—
1977	0.083	3%	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity +

	Total Equity	Equity Per Share ‡
1981	$ 4,952,400	$ 4.71
1980	4,953,900	4.79
1979	4,163,500	4.03
1978	4,210,000	4.08
1977	4,134,300	4.03

+ Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Revenue	$ 19,629,100	$ 16,904,900
Cost of sales	14,397,000	12,940,300
Expenses	2,833,600	2,306,300
Interest expense	110,500	110,600
Misc. expense	46,400	66,200
Gain on sale of assets	(82,700)	—
Income before taxes	$ 2,324,300	$ 1,481,500
Income taxes	1,091,300	659,100
Inc. - cont. oper.	$ 1,233,000	$ 822,400
Loss - discont. oper.	(1,212,900)	(396,600)
Net Income	$ 20,100	$ 425,800
Extraord. gain	—	427,700
Net Income & extraord. gain	$ 20,100	$ 853,500

* Included in Costs and Expenses, Depreciation and Amortization: $462,600 in 1981 and $354,600 in 1980.
‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	197,600	141,800
Accts. receiv., net	$ 2,336,200	$ 3,878,700
Contracts receiv.	1,193,900	2,278,700
*Inventories	484,600	3,047,400
Prepaid exp.	105,200	123,500
Inc. taxes recov.	280,500	—
Other assets	134,100	140,800
Assets of discont.oper.	3,130,000	—
Current Assets	$ 7,862,100	$ 9,610,900
#Fixed assets	2,745,300	2,712,000
Other assets	236,100	254,900
Total Assets	$ 10,843,500	$ 12,577,800

Liabilities

	1981	1980 ‡
Long-term debt, curr.	$ 156,100	$ 164,800
Accts. payable	1,718,500	2,680,400
Accruals	349,800	256,300
Accrued compensation	488,600	477,400
Income taxes	—	525,500
Deferred inc. taxes	442,200	426,000
Dividend payable	53,000	34,500
Curr. Liabilities	$ 3,208,200	$ 4,564,900
Long-term debt	2,512,700	2,888,800
Deferred inc. taxes	170,200	170,200
+Common stock	106,000	70,300
Add. paid-in capital	2,406,100	2,397,200
Retained earnings	2,440,300	2,561,600
Treasury stock	—	(75,200)
Total Liabilities & Shareholders' Equity	$ 10,843,500	$ 12,577,800

‡ Restated.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	0.41	17.23
Working Capital	$4,653,900	$5,046,000
Current Ratio	2.45	2.11
Shareholders' Equity	$4,952,400	$4,953,900

HMW Industries, Inc.

High Ridge Park
Stamford, Connecticut 06905
(203) 329-8414

Officers: Jerome W. Robbins, chairman of the board, president & chief exec. officer; William D. Serfass, Jr., exec. v.p. & chief financial officer; Jay J. Greengard, v.p. & pres.-Waldom Electronics, Inc.; Kenneth R. Bernhardt, v.p. & president-Hamilton Technology, Inc; Robert F. Wilson v.p. & president-Wallace Silversmiths, Inc.; Ralph S. Rousch, v.p. & pres.-Handi-Man Industries, Inc.; Irving Slifkin, v.p. & general counsel; David Harrow, v.p. & president-Ayers/Chairmakers, Inc.; John C. Helms, controller and treasurer; Isabella M. Pernicone, secretary.

Directors: Jerome W. Robbins, chairman; Miles S. Chenault, William C. Serfass, Jr., Wallace E. Carroll, Jacob Saliba, Gerald N. Goldberger, William J. Flynn, Mark L. Shapiro.

Subsidiaries:

Home Furnishings Group

Chairmakers, Inc./Ayers Furniture Industries
Manufactures, assembles and distributes family room furniture to retailers.

Wallace Silversmiths, Inc.
Markets sterling silver dinnerware and other accessories.

Defense and Metal Products Group

Hamilton Precision Metals Division
A precision roller of strip and foil with specialized properties for high technology use.

Hamilton Technology, Inc.
A key supplier of fuses and precision ordnance timing devices to the U.S. military and manufacturer of ultra-thin rolled metal products.

Distribution Group

Handi-Man Distributors, Inc.
Distributes consumer and industrial fasteners.

Waldom Distributors, Inc.
A nationwide distributor of electronic components through radio supply stores and wholesalers.

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): New York

Ticker Symbol: HMW

Number of Employees:

1982	2,389	1979	1,510
1981	2,242	1978	1,710
1980	1,455		

Plant Footage:

1982	1,425,179 sq.ft.	1979	876,700
1981	1,033,482	1978	876,700
1980	808,482		

Sales and Earnings

	Net Sales +	Net Income †
1982	$ 124,808,000	$ 2,439,000
1981	101,172,000	5,022,000
1980	90,948,000	9,343,000
1979	73,491,000	2,280,000
1978	63,279,000	(6,458,000)

	No. of Com. Shares	Earn. per Share † #
1982	2,924,954	$ 0.83
1981	2,890,639	1.73
1980	2,871,976	3.27
1979	2,856,638	0.80
1978	2,856,638	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $1,191,000 ($0.41 per share) in 1981, $4,336,000 ($1.52 per share) in 1980,and $871,000 ($0.34 per share) in 1978.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1982	1981
Silverware	$ 60,626	$ 45,385
Metal products	34,690	29,398
Distribution	29,492	26,389
Total	$ 124,808	$ 101,172

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 29,788,000	$ 10.18
1981	27,193,000	9.41
1980	22,076,000	7.69

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 124,808,000	$ 101,172,000
Other income	807,000	1,144,000
Total income	$ 125,615,000	$ 102,316,000
Cost of sales	92,482,000	71,995,000
Expenses	23,250,000	20,015,000
Interest expense	5,650,000	3,133,000
Income before taxes	$ 4,233,000	$ 7,173,000
Income taxes	1,794,000	3,342,000
Net Income	$ 2,439,000	$ 3,831,000
Extraord. gain	—	1,191,000
Net Income & Extraord. Gain	$ 2,439,000	$ 5,022,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,397,000 in 1981 and $1,474,000 in 1980.

Assets

As of Jan. 31	1982	1981
Cash	$ 687,000	$ 1,075,000
Cert. of deposit	—	3,657,000
Accts. & notes receiv., net	18,190,000	13,821,000
*Inventories	45,282,000	29,425,000
Prepaid expenses	1,233,000	1,393,000
Current Assets	$ 65,392,000	$ 49,371,000
#Fixed assets	27,346,000	21,581,000
Other assets	2,910,000	1,637,000
Intangibles	1,667,000	1,442,000
Total Assets	$ 97,315,000	$ 74,031,000

Liabilities

Notes payable	$ 6,713,000	$ 3,843,000
Long term debt. curr.	2,394,000	3,566,000
Accts. payable & accruals	13,065,000	12,370,000
Curr. Liabilities	$ 22,172,000	$ 19,779,000
Long-term debt	41,613,000	24,675,000
Reserve for pensions	463,000	405,000
Deferred income taxes	3,169,000	1,709,000
Other liab.	110,000	270,000
+Common stock	2,979,000	2,979,000
Add. paid-in capital	15,991,000	16,001,000
Retained earnings	11,080,000	8,641,000
Treasury stock	(262,000)	(428,000)
Total Liabilities & Shareholders' Equity	$ 97,315,000	$ 74,031,000

* At lower of cost (LIFO, FIFO, actual production cost) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.39	7.09
%Net Income to Sales	1.95	3.79
%Net Income to Equity	8.19	14.00
Sales to Inventories	2.76	3.44
Working Capital	$43,220,000	$29,592,000
Current Ratio	2.95	2.50
Shareholders' Equity	$29,788,000	$27,193,000

Honeywell, Inc.

Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200

Officers: Edson W. Spencer, chairman of the board & chief exec. officer; James J. Renier, pres.-control systems; Stephen G. Jerritts, pres.-info. systems; Robert W. Maynard, v.p. & general counsel; Charles E. Brown, v.p.-executive personnel; James H. Grenell, v.p. & controller; Louis E. Navin, v.p. & chief financial officer; Fosten A. Boyle, v.p.-employee relations; Gerald P Dinneen, v.p.-science & technology; Wayne E. Petersen, v.p.-marketing; Sigurd Ueland, Jr., secretary; James J. Grierson v.p. & treasurer.

Directors: Edson W. Spencer*, chairman; Stephen F. Keating*, Carl B. Drake, Jr.*, Robert A. Charpie, E. Robert Kinney*, J. Robert Schaetzel, William H. Spoor*, James J. Renier*, David M. Lilly*, Alexander J. MacIntosh, Archie R. McCardell, Stephen G. Jerritts*, Richard M. Bressler*, Geri M. Joseph.

* Member of Executive Committee.

Divisions and Subsidiaries:

Corporate Technology Center
10701 Lyndale Avenue South
Bloomington, Minnesota 55420
(612) 887-5200

Solid State Electronics Center
12001 State Highway 55
Plymouth, Minnesota 55441
(612) 542-7805

Control Systems

Aerospace and Defense Group

2600 Ridgeway Parkway
Minneapolis, Minnesota 55413
(612) 378-4141
Space programs, commercial aviation, military avionics/electronic systems, navigation and guidance systems.

Defense Systems Division
600 Second St. N.E.
Hopkins, Minnesota 55343
(612) 931-5133
Combat fire control systems, munitions, torpedoes; power sources millimeter-wave components; sonar systems and components; acoustic sensing systems and components; ship-positioning systems; offshore petroleum instrumentation.

Systems and Research Center
2600 Ridgway Parkway
Minneapolis, Minnesota 55413
(612) 378-4141
Systems analysis in aerospace and ordnance; applied research in physical and life sciences and information and control sciences.

Defense Systems Division
5303 Shilshole Avenue Northwest
Seattle, Washington 98107
(206) 798-2000

Electro-optical, infrared, millimeter wave and acoustic sensing systems and components; sonar systems and components; digital fire control and display systems; trainers and simulators; oceanographic research equipment; ship positioning systems.

Tampa Operations
3602 West Waters Avenue
Tampa, Florida 33684
(813) 932-5331

Engineering and manufacturing of military and commercial electronic equipment.

Commercial Building Group

Building Services Division
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-2221

Building and management of the Honeywell centers and management of large office buildings for other firms.

Building Services Division
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200

Contract maintenance of control systems and building mechanical systems; Service line product sales and installation; leased BOSS services; energy management systems.

Commercial Division
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200

Comfort control; building management systems; fire alarm and security.

Protection Services Division
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200

Leased burglary and fire protection from central stations; residential burglary and fire-alarm systems.

Components Group

Motor Products Division
4301 Kishwaukee Street
Rockford, Illinois 61109
(815) 966-3600

High performance DC motors; permanent magnet motors; electrical generators.

Micro Switch Division
Chicago and Spring Streets
Freeport, Illinois 61232
(815) 235-5500

Precision electrical switches; lighted and unlighted push-button switches; non-contact switches; data entry keyboards.

Skinner Valve Division
95 Edgewood Avenue
New Britain, Connecticut 06051
(203) 225-6421

Solenoid diaphragm, spool valves.

Optoelectronics Division
830 East Arapaho Road
Richardson, Texas 75081
(214) 234-4271

Optoelectronic and fiber optics systems and components.

Synertek, Inc.
30001 Stendee Way
Santa Clara, California 95051
(408) 988-5600

Microprocessor, memory components and systems.

Industrial Products Group

Process Control Division
1100 Virginia Drive
Fort Washington, Pennsylvania 19034
(215) 643-1300

Process control instrumentation; industrial machinery & equipment controls, maintenance sales & services.

Process Management Systems Division
2222 West Peoria Avenue
Phoenix, Arizona 85029
(602) 997-3000

Process control and data acquisition systems; software application packages for power and industrial applications.

Test Instruments Division
4800 East Dry Creek Road
Denver, Colorado 80217
(303) 771-4700

Sensing and recording instrument; data acquisition systems for research laboratories and communications facilities; production testing; medical instrumentation; instrument repair and recalibration service; patient-monitoring equipment.

Residential Group

Energy Products Center
10400 Yellow Circle Drive
Minnetonka, Minnesota 55343
(612) 931-4200

Energy management controls and systems for small commercial buildings.

Flame Safeguard Controls Center
10400 Yellow Circle Drive
Minnetonka, Minnesota 55343
(612) 931-4200

Commercial and light-industrial combustion controls and systems.

Residential Controls Center
10400 Yellow Circle Drive
Minnetonka, Minnesota 55343
(612) 931-4200

Environmental controls for residences; electronic air cleaners. Smoke detectors; fuel saver thermostats; portable air cleaners; emergency lights; pilot safety control thermocouples; winter watchmen; furnance filter indicators.

International Operations
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-2788

European Division

Honeywell Europe, S.A.
14 Avenue Henri Matisse
1140 Brussels, Belgium

Subsidiary companies and affiliates: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Kuwait, the Netherlands, Mediterranean Basin, Africa, Middle East Region, Greece, Saudi Arabia, Norway, South Africa, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom.

Canadian Division

Honeywell Limited
740 Ellesmere Road
Scarborough, Ontario, Canada
(416) 293-8111

Asia Pacific Division

Honeywell
c/o Yamatake-Honeywell Co. Ltd.
Magai International Building
2-12-19 Shibuya, Shibuya-ku
Tokyo 150, Japan

Subsidiary companies and affiliates: Australia, Hong Kong, Japan, New Zealand, Singapore, Taiwan, Thailand.

Latin American Region

Honeywell Inc.
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-2707

Subsidiary companies and affiliates: Argentina, Brazil, Dominican Republic, Mexico, Puerto Rico, Venezuela.

Technology Strategy Center
Minneapolis, Minnesota 55408
(212) 870-2721

Demonstration programs in energy, productivity, security, environment and services.

Information Systems

Honeywell Information Systems, Inc.
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-2721

Worldwide planning and coordinating headquaters for all computer activities.

Information Systems Division
200 Smith Street
Waltham, Massachusetts 02145
(617) 890-8400

Marketing and servicing in the United States and Puerto Rico of computer products manufactured by Honeywell and Cii Honeywell Bull.

Large Information Systems Division
P.O. Box 6000
Deer Valley Park
Phoenix, Arizona 85005
(602) 866-6000

Product planning, engineering, manufacturing and support for large systems for Honeywell markets worldwide.

Small/Medium Systems Division
and Terminals Division
300 Concord Road
Billerica, Massachusetts 01821
(617) 671-6000

Product planning, engineering, manufacturing, for the Level and certain terminal products for Honeywell markets worldwide. Product planning, engineering support, manufacturer and/or refurbishment in the U.S. for small and medium systems and peripherals.

Honeywell Information Systems-Italia
32 Via Pirelli
20124 Milano, Italy

Development and manufacture of computer systems and peripheral equipment; and marketing and servicing of computer products manufactured by Honeywell and Cii Honeywell Bull in Italy, Yugoslavia, Israel and Turkey.

Honeywell Information Systems Ltd.
Honeywell House
Great West Road
Brentford, Middlesex, England

Manufacture of computer systems. Development of software and special systems. Marketing and servicing of computer products manufactured by HIS and CII-HB in the United Kingdom and Ireland.

Honeywell Information Systems International
Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-2581

Markting and servicing of computer products manufactured by Honeywell and Cii Honeywell Bull in Australasia, the South Pacific, Japan, Southeast Asia, South Africa, the India Subcontinent, Canada, Mexico, Central America and the Carribbean Islands.

Product Management Operation
Minneapolis, Minnesota

Worldwide planning and coordinating for all computer activities.

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Seventh & Marquette
Minneapolis, Minnesota 55479

Northwestern Trust Company
Tenth Floor
40 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Belgium, England, France, The Netherlands and Switzerland.

Ticker Symbol: HON

Number of Employees:

1981	97,000	1978	86,328
1980	97,202	1977	75,840
1979	94,620		

Honeywell, Inc.

Sales and Earnings +

	Net Sales * (000's)	Net Income # (000's)
1981	$ 5,351,200	$ 259,300
1980	4,924,700	288,900
1979	4,209,500	256,400
1978	3,547,800	198,700
1977	2,911,100	143,700

	No. of Com. Shares ‡	Earn per Share # ‡ +
1981	22,800,000	$ 11.38
1980	22,400,000	12.92
1979	21,900,000	11.70
1978	21,400,000	9.29
1977	21,000,000	6.83

* Includes computer rental and service revenue.

+ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

# Including extraordinary gains of $3,000,000 ($0.13 per share) in 1981, $12,600,000 ($0.56 per share) in 1980, $20,50,000 ($0.94 per share) in 1979, $19,900,000 ($0.93 per share) in 1978, and $10,800,000 ($0.51 per share) in 1977.

‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Environmental systems & controls	$ 1,252,600	$ 1,212,900
Industrial systems	1,221,400	1,081,400
Aerospace & defense	1,103,500	996,300
Information systems	1,773,700	1,634,100
Total	$ 5,351,200	$ 4,924,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.20	—	—
1980	2.80	—	—
1979	2.40	—	—
1978	2.05	—	—
1977	1.75	—	—

Common Stock Equity +

	Total Equity	Equity Per Share
1981	$ 2,098,000,000	$ 90.53
1980	1,874,000,000	82.70
1979	1,616,900,000	72.73
1978	1,365,400,000	63.68
1977	1,189,900,000	57.58

+ Restated.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 4,472,100	$ 4,118,800
Other income	879,100	805,900
Total Revenues	$ 5,351,200	$ 4,924,700
Cost of revenues	3,422,200	3,176,300
Expenses	1,514,800	1,310,900
Interest income	(71,900)	(50,900)
Interest expense	95,100	66,500
Fees paid to subsid.	55,100	53,000
Income of subsid.	(27,100)	(28,500)
Income before taxes	$ 363,000	$ 397,400
Income taxes	107,100	158,500
Equity income	(400)	(37,400)
Net Income	$ 256,300	$ 276,300
Extraord. gain	3,000	12,600
Net Income & extraord. gain	$ 259,300	$ 288,900

* Included in Costs and Expenses, Depreciation: $300,000 in 1981 and $256,200,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 †
Cash	$ 41,300	$ 33,000
Time dep. & marketable sec.	249,900	212,200
Receivables	878,200	898,900
* Inventories	982,300	925,200
Current Assets	$ 2,151,700	$ 2,069,300
Investments	614,800	468,100
# Fixed assets	1,336,700	1,130,500
Other assets	227,600	224,700
Total Assets	$ 4,330,800	$ 3,892,600

Liabilities
(000's)

Short-term debt	$ 115,000	$ 106,300
Accts. payable	226,500	222,200
Cust. advances	117,300	95,500
Accruals	621,400	548,200
Income taxes	68,800	141,700
Curr. Liabilities	$ 1,149,000	$ 1,113,900
Long-term debt	605,800	470,300
Oblig. for rental contracts	57,900	55,400
Deferred inc. taxes	333,100	292,600
Other liab.	87,000	86,400
+ Common stock	34,800	34,000
Add. paid-in capital	661,600	624,700
Retained earnings	1,401,600	1,215,300
Total Liabilities & Shareholders' Equity	$ 4,330,800	$ 3,892,600

† Restated.

* At lower of cost (weighted average) or market.

# Less accumulated depreciation.

+ $1.50 par value.

Statistical Summary

%Income before Taxes to Revenues	6.78	8.07
%Net Income to Revenues	4.79	5.61
%Net Income to Equity	12.22	14.74
Working Capital	$1,002,700,000	$ 955,400,000
Current Ratio	1.87	1.86
Shareholders' Equity	$2,098,000,000	$1,874,000,000

Humphrey, Inc.

9212 Balboa Avenue
San Diego, California 92123
(714) 565-6631

Officers: P.E. Humphrey, president & chairman of the board; R.T. Rutherford, sr. v.p., B.L. McKie, C.R. Bonnell, A.K. Mills, vice presidents; J.L. Alviar, treasurer; D.J. Streed, secretary.

Directors: P.E. Humphrey, chairman; Romilly T. Rutherford, John R. Sorbo, Roger A. Humphrey, Raymond C. Pennington.

Areas of Work: Develops, manufactures and sells electro-fluidic, and electro-optical instruments for industry and defense. Products include vertical and directional gyroscopes, angular rate sensors, allerometer and accelerometer switches, free gyros, rate gyros, artificial horizon gyros and repeators accelographs, potentiometers, rate switches, stabilized platforms, flexure pivots, inertial reference systems, electric hand dryers, blowers, oceanographic components, automotive dynamic-test packages, and pendulums.

Transfer Agent(s):

California First Bank
Corporate Trust Department
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HUPH (NASDAQ)

Number of Employees:

1981	228	1978	157
1980	196	1977	142
1979	167		

Plant Footage:

1981	31,950 sq. ft.	1978	22,200
1980	31,950	1977	22,200
1979	22,200		

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,924,868	$ 243,330
1980	7,485,900	396,483
1979	5,526,910	243,673
1978	5,087,526	240,507
1977	3,865,910	143,948

	No. of Com. Shares †	Earn. per Share ‡
1981	500,000	$ 0.49
1980	500,000	0.99
1979	400,000	0.61
1978	400,000	0.60
1977	400,000	0.36

# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

† Adjusted to reflect stock split.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	4-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,088,756	$ 6.18
1980	2,845,426	5.69
1979	1,143,472	2.86
1978	935,200	2.34
1977	694,693	1.74

# Restated.

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 8,924,868	$ 7,485,900
Cost of sales	6,676,862	5,200,791
Expenses	1,535,394	1,237,867
Discounts & other	260,139	205,104
Interest expense	67,143	54,955
Income before taxes	$ 385,330	$ 787,183
Income taxes	142,000	390,700
Net Income	$ 243,330	$ 396,483

* Included in Costs and Expenses, Depreciation and Amortization: $100,939 in 1981 and $58,681 in 1980.

‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 53,994	$ 84,238
Receiv., net	277,909	371,925
Future income tax benefits	62,000	98,000
*Inventories	3,584,624	2,546,035
Prepaid expenses	47,533	19,565
Receiv. in connec. with public offering	—	1,396,000
Refund. inc. taxes	60,871	—
Current Assets	$ 4,086,931	$ 4,515,763
#Fixed assets	992,126	757,128
Deposits	6,498	5,618
Cash value of life ins.	13,142	12,535
Total Assets	$ 5,098,697	$ 5,291,044

Liabilities

Note payable	$ —	$ 100,000
Long-term debt, curr.	83,085	80,111
Accts. payable	737,218	606,211
Accruals	274,468	296,195
Accrued commissions	318,537	313,225
Income taxes	—	404,506
Cust. deposits	38,960	82,537
Curr. Liabilities	$ 1,452,268	$ 1,882,775
Long-term debt	557,673	562,843
+Common stock	1,594,667	1,594,667
Common stock warrants outstanding	1,000	1,000
Retained earnings	1,493,089	1,249,759
Total Liabilities & Shareholders' Equity	$ 5,098,697	$ 5,291,044

‡ Restated.
* At lower of cost (average or FIFO) or net realizable market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.32	10.52
%Net Income to Sales	2.73	5.30
%Net Income to Equity	7.88	13.93
Sales to Inventories	2.49	2.94
Working Capital	$2,634,663	$2,632,988
Current Ratio	2.81	2.40
Shareholders' Equity	$3,088,756	$2,845,426

ICOT Corporation

(formerly Microform Data Systems, Inc.)

830 Maude Avenue
Mountain View, California 94043
(415) 964-4635

Officers: Arnold N. Silverman, chairman of the board & president; Peter D. Hepburn, Seldan S. Lazarow, v.p.'s; Lawrence W. Parrish, v.p.-finance, treasurer & secretary.

Directors: William D. Witter, B.J. Brooks, Neill H. Brownstein, Donald L. Lucas, Arnold N. Silverman.

Areas of Work: The Company designs, manufactures and markets a line of data communications and micrographic equipment. The data communications equipment is used principally by the airline industry. The micrographic retrieval devices allow low-cost, quick access to microfilm data.

Divisions:

ICOT Division
Mountain View, California
Manufactures electronic communications equipment, including automatic ticket printers for airlines.

Medical Systems Division
Supplies data management information systems for clinical laboratories and hospitals.

Transfer Agent(s):
Wells Fargo Bank National Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICOT (NASDAQ)

Number of Employees:
1981 464

Plant Footage:
1981 . . . . . . 122,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income #
1981	$ 24,927,648	$ 877,943
1980	25,285,638	305,440
1979*	22,948,932	(10,926,659)
1978	35,951,187	2,435,060
1977	24,519,302	1,601,583

	No. of Com. Shares +	Earn. per Share # +
1981	6,022,672	$ 0.10
1980	5,813,833	0.04
1979	5,475,702	—
1978	5,484,536	0.44
1977	5,451,628	0.29

(Loss)
* 53 weeks.
# Including extraordinary credits of $386,000 (0.06 per share) in 1981, $130,000 ($0.02 per share) in 1980, $1,139,000 ($0.21 per share) in 1978 and $795,000 ($0.14 per share) in 1977.
+ Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 4,313,019 †	$ 0.72
1980	3,632,263 †	0.62
1979	326,640	0.06
1978	10,971,072	2.00
1977	8,343,611	1.53

‡ Based on weighted average number of shares outstanding.
† After allowing for preferred stock at stated values.

Income Account *

Year ended	7/31/81	8/1/80
Net sales	$ 24,928,000	$ 25,285,638
Cost of sales	17,439,000	18,265,461
Expenses	3,680,000	3,814,152
Research & develop.	1,825,000	1,334,488
Interest expense	1,086,000	1,531,097
Income before taxes	$ 898,000	$ 340,440
Income taxes	406,000	165,000
Net Income	$ 492,000	$ 175,440
Extraord. credit	386,000	130,000
Net Income & extraord. credit	$ 878,000	$ 305,440

*Included in Costs and Expenses, Depreciation and Amortization: $708,000 in 1981 and $846,200 in 1980.

Assets

As of	7/31/81	8/1/80
Cash	$ 87,000	$ 115,467
Accts. receiv., net	3,540,000	3,747,485
*Inventories	6,667,000	6,653,293
Prepaid expenses	420,000	284,890
Current Assets	$ 10,714,000	$ 10,801,135
#Fixed assets	2,028,000	2,277,771
Leased equip.	—	10,294
Intangibles	152,000	199,438
Note receiv.	137,000	130,768
Total Assets	$ 13,031,000	$ 13,419,406

Liabilities

Notes payable	$ 200,000	$ 750,000
Long-term debt, curr.	1,525,000	716,973
Accts. payable & accruals	2,042,000	2,058,525
Cust. advances	172,000	493,611
Employee comp.	826,000	687,405
Inc. taxes. payable	20,000	51,300
Dividends payable	335,000	66,950
Curr. Liabilities	$ 5,120,000	$ 4,824,764
Long-term debt	3,347,000	4,712,379
+Preferred stock:		
Series A	150,000	150,000
Series B	100,000	100,000
+ +Common stock	1,117,000	1,108,845
Add. paid-in capital	15,689,000	13,389,502
Retained earnings (deficit)	(12,292,000)	(12,902,514)
Treasury stock	(141,000)	(140,670)
Notes receiv., stock purchase	(59,000)	(72,900)
Total Liabilities & Shareholders' Equity	$ 13,031,000	$ 13,419,406

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 stated value. Series A cumulative convert.; Series B cumulative non-convert.
+ + $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.60	1.35
%Net Income to Sales	1.97	0.69
%Net Income to Equity	10.78	4.52
Sales to Inventories	3.74	3.80
Working Capital	$5,594,000	$5,976,371
Current Ratio	2.09	2.24
Shareholders' Equity	$4,563,019	$3,882,263

ILC Industries, Inc.

(70% owned by Rapid-American Corporation)

Airport International Plaza
105 Wilbur Place
Bohemia, New York 11716
(516) 567-5600

Officers: Leonard C. Lane, chairman of the board; Anthony W. Trapani, chief executive officer.

Directors: Leonard C. Lane, Anthony W. Trapani, Stewart F. Lane, Thomas M. Divine, Daniel B. Fisher.

Areas of Work: Manufactures electronic data conversion equipment and environmental clothing. Electronic data conversion equipment includes synchro-to-digital and digital-to-synchro converters; high-speed and high-accuracy digital-to-analog and analog-to-digital converters; synchro-related instruments and data conversion systems and subsystems; densely packaged thick-film hybrid circuits and discrete potted modules. Also manufactures space suits and environmental clothing.

Divisions and Subsidiaries:

ILC Data Device Corporation
105 Wilbur Place
Bohemia, New York 11716

ILC Space Systems
16903 Buccaneer Drive
Houston, Texas 77058

ILC Dover
P.O. Box 266
Frederica, Delaware 19946

Beta Transformer Technology Corporation
105 Wilbur Place
Bohemia, New York 11716

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Revenues	Net Income ‡
1980	$ 36,047,017	$ 1,983,879
1979	29,781,748	2,123,767
1978	21,482,457	1,050,022
1977	15,976,726	885,544
1976	11,377,868	57,057

	No. of Com. Shares	Earn. per Shares ‡
1980	750,690	$2.64
1979	749,690	2.83
1978	750,000	1.40
1977	750,000	1.18
1976	750,000	0.08

‡ Including extraordinary gains of $395,231 ($0.53 per share) in 1977, $3,181 ($0.01 per share) in 1976 and extraordinary losses of $19,414 ($0.03 per share) in 1979 and $50,000 ($0.07 per share) in 1978.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 6,492,557	$8.65
1979	4,508,678	6.01
1978	2,382,786	3.18
1977	1,333,384	1.78
1976	447,840	0.60

Income Account *

Year ended Dec. 31	1980	1979
Net revenues	$ 36,047,017	$ 29,781,748
Cost of sales	22,257,311	18,760,077
Expenses	7,745,101	6,411,521
Depreciation & amortization	1,651,260	820,364
Minority interest	382,479	384,801
Interest expense	999,987	261,423
Income before taxes	$ 3,010,879	$ 3,143,562
Income taxes	1,027,000	1,000,381
Net Income	$ 1,983,879	$ 2,143,181
Extraord. loss	—	(19,414)
Net Income & extraord. loss	$ 1,983,879	$ 2,123,767

Assets

As of Dec. 31	1980	1979
Cash & short-term invest.	$ 483,738	$ 592,939
Accts. receiv., net	6,762,322	6,782,443
* Inventories	8,910,035	5,792,871
Other assets	433,170	168,487
Current Assets	$ 16,589,265	$ 13,336,740
# Fixed assets	9,581,953	2,390,256
Equip. leased out	4,753,614	3,506,057
Other assets	172,671	189,534
Total Assets	$ 31,097,503	$ 19,422,587

Liabilities

Long-term debt, curr.	$ 1,395,125	$ 818,164
Accts. payable	2,491,008	1,225,486
Accruals	1,880,098	1,848,801
Advance payments	203,658	375,065
Fed. inc. taxes	87,521	503,955
Curr. Liabilities	$ 6,057,410	$ 4,771,471
Long-term debt	17,488,431	9,659,263
Deferred inc. taxes	798,076	282,517
Other deferred items	261,029	200,658
+ Common stock	750,690	750,690
Add. paid-in-capital	1,419,500	1,419,500
Retained earnings	4,322,367	2,338,488
Total Liabilities & Shareholders' Equity	$ 31,097,503	$ 19,422,587

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.35	10.56
%Net Income to Revenues	5.50	7.20
%Net Income to Equity	30.56	47.53
Working Capital	$ 10,531,855	$ 8,565,269
Current Ratio	2.74	2.80
Shareholders' Equity	$ 6,492,557	$ 4,508,678

Illinois Tool Works Inc.

8501 West Higgins Road
Chicago, Illinois 60631
(312) 693-3040

Officers: Silas S. Cathcart, chairman & chief exec. officer; Harold Byron Smith, Jr., chairman of the executive committee; John D. Nichols, president & chief exec. officer; Frederick W. Biermann, v.p. & controller; Arthur M. Wright, v.p. & general counsel & secretary; David Byron Smith, v.p. & treasurer; H. Richard Crowther, v.p. & pres. of Intl. Group; W. James Farrell, v.p. & pres. of Fastener & Tool Group; George T. Valaoras, v.p. & pres.-Electronic Products Group; Robert G. Rettig, v.p. & pres.-Packaging Systems & Instruments Group; Steve A. Stefan, v.p. & pres.-Components Group; Sidney H. Paige, v.p.-human resources.

Directors: Silas S. Cathcart, Weston R. Christopherson, Henry W. Meers, Edward Byron Smith, Harold Byron Smith, Harold Byron Smith, Jr., Solomon Byron Smith, Omer G. Voss, Russell M. Wicks, Robert H. Strotz, Edward F. Swift, Robert D. Tuttle, John D. Nichols, Robert C. McCormack, Arthur M. Wood, Edward J. Williams.

Areas of Work: Develops and manufactures a broad range of specialty products, principally industrial components; its five major product areas include engineered metal and plastic fasteners and components, plastic packaging products and systems, electonic products and components precision tools and gearing, and instuments and systems.

Divisions:

Electronic Products and Components
Precision snap action switches; lighted pushbutton and panel switches; proximity switches; electronic keyboards; custom engineered switch and electronic keyboards; custom engineered switch and electrical hardware combinations; plastic film/foil capacitors and metalized plastic film capacitors; multilayer monolithic ceramic capacitors.

Cortron Division
Elmhurst, Illinois
Electronic keyboards.

Licon Division
Chicago, Illinois 60634
Precision electrical switches.

Paktron Division
Chicago, Illinois
Vienna, Virginia
Lynchburg, Virginia
Electronic components.

Precision Tools and Gearing
Special and standard expendable metal cutting tools. Precision gear systems, high reduction ratio gear motors, mikron machine tools and fine pitch gear cutters.

Illinois/Eclipse Division
Pine Bluff, Arkansas
Farmington Hills & Ferndale, Michigan
Chicago, Illinois
Metal cutting tools.

Spiroid Division
2601 North Keeler Avenue
Chicago, Illinois 60639
Special gearing.

Packaging Products
Multi-packaging plastics products such as carriers for beer, soft drinks, juices, and food. Hot and cold drink cups for vending machines and counter services. Plastic food containers and lids. Portion packaging for dairy foods and beverages.

Conex Division
Des Plaines, Illinois 60143
Plastic Containers.

Hi-Cone Division
Charleston, Illinois
Fullerton, California
Zebulon, North Carolina

Itasca, Illinois
Multi-packaging.

Engineered Fasteners and Components
Specialty threaded fasteners, lockwashers, spring tension washers, electrical terminals, mechanical/chemical fasteners, automated fastener application systems. Construction fasteners. Plastic fasteners and components. Special stamped metal fasteners and components.

Shakeproof Division
Russellville, Kentucky

Elgin, Illinois
Special industrial fasteners.

Fastex Division
Des Plaines, Illinois 60016
Plastic and metal components.

Buildex Division
Elk Grove Village, Illinois
Mineral Wells, Texas
Construction fasteners.

Deltar Division
Frankfort, Illinois
Automotive components.

Instruments and Systems
Develops and produces gear measuring instruments, special purpose machines and systems for packaging applications and fastener production and assembly, custom designed equipment and systems for industrial and defense use, and medical products and systems.

Illitron Division
Chicago, Illinois 60645
Precision instruments and systems.

Diamed Division
Elk Grove Village, Illinois
Medical disposables and systems.

Subsidiaries:

ITW Canada Limited
67 Scarsdale Road
Don Mills, Ontario, Canada
(416) 447-7251

Devcon Corporation
Danvers, Massachusetts
Mexico City, Mexico
Scarborough, Canada
Shannon, Ireland
Paris, France
Lintor, West Germany
Specialty chemical products.

ITW Limited
Basingstoke, England
Portsmouth, England
Theale, England
Windsor, England

ITW-Ateco G.m.b.H.
Hamburg, Germany
Letmathe, Germany
Weiden, Germany

ITW de France S.A.
Paris, France

ITW Industria e Comerciao Ltda.
Sao Paulo, Brazil

ITW Fastex Italia, S.p.A.
Turin, Italy

ITW Asia (Pt) Limited
Singapore

ITW Paktron Ltd.
Koahsiung, Taiwan

W.A. Deutsher Pty. Ltd.
Melbourne, Australia
Sydney, Australia
Auckland, New Zealand

ITW Espana S.A.
Barcelona, Spain

ITW Hi-Cone Ltd.
Mallow, Ireland

Affiliated Companies:

Nifco Inc. (32.1% owned)
Tokyo, Japan
Yokohama, Japan
Kanagawa, Japan

Multipak de Venezuela C.A. (48% owned)
Caracas, Venezuela

Computer Products, Inc. (23% owned)
Fort Lauderdale, Florida

Metalurgica Mapri-Illinois Ltda. (40% owned)
Sao Palo, Brazil

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675

Stock Exchange(s): New York, Midwest

Ticker Symbol: ITW

Number of Employees:

1981	7,200	1978	7,500
1980	6,800	1977	7,300
1979	7,800		

Plant Footage *:

1981	2,450,000 sq.ft.	1978	1,990,000
1980	1,990,000	1977	1,875,000
1979	1,990,000		

* Parent company only.

Sales and Earnings †

	Oper. Revenues +	Net Income
1981	$ 455,520,000	$ 44,348,000
1980	401,654,000	42,864,000
1979	398,125,000	41,421,000
1978	344,794,000	34,310,000
1977	293,011,000	26,749,000

	No. of Com. Shares	Earn. per Shares #
1981	12,238,127	$ 2.62
1980	12,232,328	3.50
1979	12,231,228	3.39
1978	12,225,806	2.81
1977	12,219,000	2.19

† Restated to reflect change in accounting method to comply with FASB statement No. 52 concerning foreign currency translation.
+ Includes net sales, equipment rentals and royalties.
# Based on average number of shares outstanding.

Revenue by Line of Business

	1981 (000's)	%	1980 (000's)	%
Engineered fasteners & components	$228,484	50%	$188,870	47%
Packaging products	79,249	17	70,350	18
Precision tools & gearing	46,239	10	47,308	12
Electronic components & products	61,543	14	6 61,466	15
Instruments & systems	40,840	9	33,936	8
Eliminations	(835)	—	(276)	
	$455,520	100%	$401,654	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.08	—	—
1980	1.02	—	—
1979	0.95	—	—
1978	0.72	—	—
1977	0.60	—	—

Common Stock Equity †

	Total Equity	Equity Per Share
1981	$ 286,134,000	$ 23,38
1980	263,888,000	21.57
1979	234,225,000	19.15
1978	201,596,000	16.49
1977	173,490,000	14.20

† Restated.

Income Account *

Year ended Dec. 31	1981	1980 †
Operating Revenues	$ 455,520,000	$ 401,654,000
Operating costs	292,952,000	256,451,000
Expenses	94,409,000	82,666,000
Income before taxes	$ 77,048,000	$ 76,764,000
Income taxes	32,700,000	33,900,000
Net Income	$ 44,348,000	$ 42,864,000

† Restated.
* Included in Costs and Expenses, Depreciation: $22,077,000 in 1981 and $19,242,000 in 1980.

Assets

As of Dec. 31	1981	1980 †
Cash	$ 3,703,000	$ 5,135,000
Marketable securities & cert. of dep.	29,040,000	68,942,000
Accts. receiv., net	75,633,000	64,401,000
*Inventories	70,730,000	57,072,000
Prepaid inc. taxes	3,729,000	2,337,000
Current Assets	$ 182,835,000	$ 197,887,000
Investments	57,751,000	39,120,000
#Fixed assets	115,345,000	99,109,000
Other assets	25,340,000	8,972,000
Total Assets	$ 381,771,000	$ 345,088,000
Liabilities		
International borrowings	$ 6,012,000	$ 1,662,000
Accts. payable	23,660,000	23,031,000
Accruals	24,011,000	24,122,000
Dividends payable	3,304,000	3,303,000
Income taxes	12,346,000	16,360,000
Curr. Liabilities	$ 69,333,000	$ 68,478,000
Capitalized lease oblig.	8,005,000	—
Long-term debt	5,478,000	2,878,000
Other liabilities	8,809,000	5,986,000
Unamortized investment tax credits	4,012,000	3,858,000
+Common stock	40,936,000	40,917,000
Add. paid-in capital	7,616,000	7,484,000
Retained earnings	244,480,000	213,347,000
Treasury stock	(431,000)	(431,000)
Foreign curr.translation	(6,467,000)	2,571,000
Total Liabilities & Shareholders' Equity	381,771,000	345,088,000

† Restated.
* At lower of cost or market. Cost is valued at LIFO for parent company and Devcon Corp.; all other inventories at FIFO.
# Less accumulated depreciation.
+ $3.33⅓ par value.

Statistical Summary

%Income bef. Taxes to Revenues	16.91	19.11
%Net Income to Revenues	9.74	10.67
%Net Income to Equity	15.50	16.24
Working Capital	$113,502,000	$129,409,000
Current Ratio	2.64	2.89
Shareholder' Equity	$286,134,000	$263,888,000

Image Systems, Inc.

11244 Playa Court
Culver City, California 90230
(213) 390-3378

Officers: Timothy P. Fitzgerald, president, chief exec. officer & treasurer; R. Edward Fenner III, v.p.-finance & secretary.

Directors: William E. McKenna, Fred C. Mehner, Chester H. Brandon, R. Edward Fenner, III, Timothy P. Fitzgerald, Joseph Papa, M. A. Quraishi.

Areas of Work: Manufactures CARD microfiche retrieval-display system. CARD is adaptable for peripheral use with computers. Components of CARD include all solid state electronics and removable printed circuit boards, micro-image projection optics and cast and machined mechanical parts. Also sells, to the users of its CARD systems, equipment that can give these users their own capability to produce low-cost encoded microfiche. These products include a step and repeat microfiche, camera, a microfiche duplicator, high-speed and manual microfiche cutters and several different models of equipment for the encoding and attachment of binary clips to microfiche. Also manufactures MENTOR, which differs from CARD primarily with respect to its reduction ratio capability and QUESTICON, a microfiche retrieval terminal unit that is fully "interactive" with a computer system.

Subsidiaries:

Image Systems, Ltd.
United Kingdom

Transfer Agent(s):

U.S. Stock Transfer Corporation
8383 Wilshire Boulevard/Suite 360
Beverly Hills, California 90211

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IMAG (NASDAQ)

Sales and Earnings

	Net Sales	Net Income #
1979	$ 4,179,206	$ (32,529)
1978	3,966,239	(223,224)
1977	4,411,961	(760,199)
1976	6,015,542	(52,901)
1975	6,365,402	161,307

Image Systems, Inc.

	No.of Com. Shares †	Earn. per Share #†
1979	1,758,288	$ —
1978	1,755,166	—
1977	1,752,549	—
1976	1,749,627	—
1975	5,793,053	0.03

(Loss)
Including extraordinary gains of $95.307 in 1979 and $108.000 ($0.02 per share) in 1975.
† Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec.31	1979	1978
Revenues	$ 4,179,206	$ 3,966,239
Interest income	26,271	8,306
Total income	$ 4,205,477	$ 3,974,545
Cost of sales	2,293,763	2,173,631
Expenses	1,624,483	1,633,497
Prod. development	367,226	341,113
Interest expense	47,841	49,528
Net Loss	$ (127,836)	$ (223,224)
Extraord. gain	95,307	—
Net Loss & extraord. gain	$ (32,529)	$ (223,224)

* Included in Costs and Expenses, Depreciation and Amortization: $148.822 in 1979 and $143.975 in 1978.

Assets

As of Dec. 31	1979	1978
Cash	$ 310,006	$ 705,674
Accts. receiv. net	973,401	850,522
*Inventories	1,161,681	1,343,365
Prepaid expenses	34,027	60,307
Current Assets	$ 2,479,115	$ 2,959,868
# Fixed assets	382,927	433,429
Defer. charges & other assets	95,645	52,427
Total Assets	$ 2,957,687	$ 3,445,724

Liabilities

	1979	1978
Notes payable	$ 168,289	$ 1,210,900
Accts. payable	663,472	948,935
Accruals	142,334	132,385
Accrued payroll	69,670	87,792
Curr. Liabilities	$ 1,043,765	$ 2,380,012
6% subord. prom. notes	880,739	
+ Preferred stock	500,000	500,000
+ + Common stock	175,879	175,778
Add paid-in capital	12,157,069	12,157,170
Deficit	(11,799,765)	(11,767,236
Total Liabilities & Shareholders' Equity	$ 2,957,687	$ 3,445,724

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
+ + $0.10 par value.

Statistical Summary

	1979	1978
Working Capital	$ 1,435,350	$ 579,856
Current Ratio	2.38	1.24
Shareholders' Equity	$ 1,033,183	$ 1,065,712

IMC Magnetics Corp.

570 Main Street
Westbury, New York 11590
(516) 334-7070

Officers: Fenimore Fisher, president & chief executive officer; Eugene J. Egan, v.p.-sales; Anthony J. Gambale, v.p.-manufacturing; Daniel B. Jones, v.p.-marketing; Alvin Loeb, v.p.-finance & treasurer; Anthony J. Puglisi, v.p.-internal audit; Jack I. Titen, v.p.-Human resources; Seymour L. Mantell, secretary; Paul E. Gelbard, assistant secretary.

Directors: Charles Wohlstetter, chairman; Toshio Egawa, Fenimore Fisher, Robert B. Peltz, Hans H. Baerwald, William S. Nakamura, H. William Tanaka, Bruce W. Morgan.

Areas of Work: Designs and manufactures electric motor driven fans and blowers for the cooling of enclosures, computer equipment and communications equipment; A.C. synchronous, stepping, torque, induction and D.C. motors; tachometer generators; gears and gear assemblies; solenoids and electromechanical assemblies and hydraulic valves for use in process equipment, pumps, aircraft, medical, and electromechanical applications.

Divisions:

Arizona Division
1900 East Fifth Street
Tempe, Arizona 85281
(602) 968-4441

New Hampshire Division
Route 16B
Rochester, New Hampshire 03867
(603) 332-5300

Western Division
12627 Hiddencreek Way
Cerritos, California 90701
(213) 926-0927

Eastern Division
570 Main Street
Westbury, New York 11590
(516) 334-7070

Texas Division
Mexia Industrial Park
Mexia, Texas 76667

Tennessee Division
Factory Street
Camden, Tennessee 38320

Subsidiaries:

Hansen Manufacturing Company, Inc.
McKaw Summit
Princeton, Indiana 47670

IMC Haiti, S.A.
Autoroute de Dalmas
Port-au-Prince, Haiti

A.K. Fans Limited
32/34 Park Royal Road
London, NW10 7LN England

Pacific Propeller
5802 South 228th Street
Kent, Washington 98031

Acquisition(s):

Pacific Propeller, Inc.
Kent, Washington
Engaged in the overhaul and repair of aircraft propellers. Also, manufactures and distributes propeller blades and controls.

Transfer Agent(s):

Registrar and Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: IMG

Sales and Earnings

	Net Sales +	Net Income
9/30/81	$ 51,856,048	$ 2,485,804
9/30/80	50,060,087	2,588,091
9/30/79	39,138,513	2,188,966
9/30/78*	19,970,118	1,065,117
2/28/78	30,847,517	1,566,519

	No. of Com. Shares	Earn. per Share‡
9/30/81	888,924	$ 2.81
9/30/80	872,937	2.99
9/30/79	851,437	3.03
9/30/78*	651,437	1.64
2/28/78	651,437	2.40

*7 months.
+ Of continuing operations only.
‡Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
9/30/81	$ 19,643,143	$ 22.10
9/30/80	17,206,050	19.71
9/30/79	14,809,936	17.39
9/30/78	10,705,325	16.43
2/28/78	9,705,356	14.90

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 51,856,048	$ 50,060,087
Cost of sales	39,537,560	38,181,877
Expenses	7,351,601	6,913,331
Interest expense	1,065,241	775,631
Other income	(262,158)	(329,843)
Income before taxes	$ 4,163,804	$ 4,519,091
Income taxes	1,678,000	1,931,000
Net Income	$ 2,485,804	$ 2,588,091

*Included in Costs and Expenses, Depreciation and Amortization: $1,261,529 in 1981 and $1,059,599 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 1,253,787	$ 600,837
Acct. receiv., net	9,105,840	8,036,848
*Inventories	13,878,532	13,345,037
Invest. in subsid. sold	160,000	160,000
Prepaid expenses	215,737	62,561
Current Assets	$ 24,613,896	$ 22,205,283
#Fixed assets	8,806,962	8,256,949
Project funds held by trustee	586,121	642,996
Invest. in subsid. sold	235,000	395,000
Other assets	412,560	304,335
Total Assets	$ 34,654,539	$ 31,804,563

Liabilities

	1981	1980
Long-term debt, curr.	$ 111,000	$ 470,000
Short-term bank loan	500,000	—
Accts. payable	3,975,754	4,235,473
Accruals	840,873	775,103
Accrued payroll	1,906,253	1,750,158
Income taxes	370,677	311,575
Dividends payable	62,085	60,553
Curr. Liabilities	$ 7,766,642	$ 7,602,862
Long-term debt	6,779,754	6,467,657
Deferred inc. taxes	465,000	527,994
+ Common stock	296,308	290,979
Add. paid-in capital	4,013,033	3,849,492
Retained earnings	15,551,931	13,314,312
Stock incentive plan	(218,129)	(248,733)
Total Liabilities & Shareholders' Equity	$ 34,654,539	$ 31,804,563

*At lower of cost (FIFO) or market.
#Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	8.03	9.03
%Net Income to Sales	4.79	5.17

%Net Income to Equity	12.65	15.04
Sales to Inventories	3.74	3.75
Working Capital	$16,847,254	$14,602,421
Current Ratio	3.17	2.92
Shareholders' Equity	$19,643,143	$17,206,050

Industrial Components, Inc.

5229 Edina Industrial Boulevard
Minneapolis, Minnesota 55435
(612) 831-2666

Officers: Kenneth J. Dahlgren, president & treasurer; Ron Bump, vice president & secretary.

Directors: Kenneth J. Dahlgren, Walter M. Baker, Thomas Laitala, Frederic J. Nimis, Ronald D. Bump.

Areas of Work: Distributor of electronic components to the space, military, computer and commercial markets. Products include semiconductors, micro computer systems, connectors, capacitors, cooling fans, resistors, relays, and enclosures.

Transfer Agent(s):

First National Bank of Minneapolis
120 South 6th Street
Minneapolis, Minnesota 55402

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	16	1977	12
1979	16	1976	9
1978	15		

Plant Footage:

1980	6,500 sq. ft.	1977	3,500
1979	6,500	1976	3,500
1978	3,500		

Sales and Earnings

	Net Sales	Net Income
1980	$ 4,370,763	$ 236,573
1979	3,190,279	158,503
1978	2,018,071	90,123
1977	1,447,880	60,474
1976	1,092,400	6,093

	No. of Com. Shares	Earn. per Share
1980	234,150	$1.01
1979	234,150	0.68
1978	234,150	0.38
1977	234,150	0.26
1976	234,150	0.03

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 855,930	$3.66
1979	619,357	2.65
1978	460,854	1.97
1977	370,731	1.58
1976	310,257	1.33

Income Account *

Year ended June 30	1980	1979
Net sales	$ 4,370,763	$ 3,190,279
Cost of sales	3,273,857	2,392,350
Expenses	675,708	516,191
Other income	(30,375)	(8,265)
Income bef. taxes	$ 451,573	$ 290,003
Income taxes	215,000	131,500
Net Income	$ 236,573	$ 158,503

*Included in Costs and Expenses, Depreciation: $31,236 in 1980 and $19,419 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 174,541	$ 195,585
Accts. receiv., net	528,691	448,268
*Inventories	441,728	330,082
Prepaid expenses	5,663	6,845
Current Assets	$ 1,150,623	$ 980,780
# Fixed assets	103,540	78,653
Other assets	4,970	4,075
Total Assets	$ 1,259,133	$ 1,063,508

Liabilities

	1980	1979
Accts. payable	$ 298,100	$ 361,187
Commissions payable	9,675	9,423
Income taxes	83,387	63,248
Other taxes	12,041	10,293
Curr. Liabilities	$ 403,203	$ 444,151
+ Common stock	23,415	23,415
Add. paid-in capital	189,718	189,718
Retained earnings	642,797	406,224
Total Liabilities & Shareholders' Equity	$ 1,259,133	$ 1,063,508

*At lower of cost (moving average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1980	1979
%Income bef. Taxes to Sales	10.33	9.09
%Net Income to Sales	5.41	4.97
%Net Income to Equity	27.64	25.59
Sales to Inventories	9.89	9.67
Working Capital	$ 747,420	$ 536,629
Current Ratio	2.85	2.21
Shareholders' Equity	$ 855,930	$ 619,357

Information International, Inc.

5933 Slauson Ave.
Culver City, California 90230
(213) 390-8611

Officers: Alfred L. Fenaughty, president; Robert W. Waller, v.p.-engineering; John B. Hansen, v.p.-programming; Terry Taugner, v.p.-finance & treasurer; James C. Callaghan, v.p.-marketing; Stephen J. A'Hearn, v.p.-sales; Leroy M. Bell, v.p.-customer support.

Directors: Joseph M. Walsh, chairman; Alfred L. Finaughty, Robert W. Waller, Laurence S. Fordham, Marvin Minsky, Oliver G. Selfridge, John McCarthy, Ronald Paolucci.

Areas of Work: Manufactures, sells and rents automated-illustrated documentation systems, including text entry and edit, photograhic scanners, page layout terminals, and pagesetters.

Subsidiaries:

Information International GRAFIX Ltd.
1 Brooklands Road
Weybridge, Surrey KT13 0SD
England

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IINT (NASDAQ)

Number of Employees:

1981	428	1978	306
1980	434	1977	267
1979	376		

Plant Footage:

1981	106,000 sq. ft.	1978	86,000
1980	106,000	1977	86,000
1979	86,000		

Sales and Earnings

	Revenues ‡	Net Income
1981	$ 23,956,839	$ 1,067,955
1980	21,890,109	1,866,183
1979	16,058,305	1,687,718
1978	13,199,216	1,328,712
1977	15,114,513	2,006,222

	No. of Com. Shares	Earn. per Share +
1981	2,708,941	$ 0.40
1980	2,692,922	0.70
1979	2,656,116	0.64
1978	2,642,264	0.50
1977	2,631,715	0.76

‡ Includes sales and equipment rentals.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 20,147,059	$ 7.44
1980	19,375,564	7.19
1979	17,660,486	6.65
1978	16,251,514	6.15
1977	15,145,236	5.75

Income Account *

Year ended April 30	1981	1980
Net sales	$ 16,540,965	$ 15,481,258
Equip. rentals	7,415,874	6,408,851
Total revenues	$ 23,956,839	$ 21,890,109
Cost of revenues	13,335,072	10,490,404
Expenses	9,300,177	8,587,468
Oper. profit	$ 1,321,590	$ 2,812,237
Other income	286,777	293,946
Gain on sale	193,588	—
Income before taxes	$ 1,801,955	$ 3,106,183
Income taxes	734,000	1,240,000
Net Income	$ 1,067,955	$ 1,866,183

* Included in Costs and Expenses, Depreciation and Amortization: $1,617,964 in 1981 and $1,190,585 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 152,531	$ 125,829
Short-term investments	2,250,000	—
Receiv., net	3,810,904	2,713,562
*Inventories	6,189,742	7,946,713
Prepaid expenses	108,894	87,219
Current Assets	$ 12,512,071	$ 10,873,323
Marketable securities	1,499,766	3,206,928
Cap. equip. under construc.	1,698,214	—
Leased equip.	3,211,689	3,813,699
Office & mfg. facility	2,267,268	2,353,134
#Fixed assets	2,767,581	2,934,457
Total Assets	$ 23,956,589	$ 23,181,541

Liabilities

	1981	1980
Customer advances	$ 432,924	$ 166,239
Accts. payable	619,192	730,475
Notes payable	100,000	650,000
Accrued payroll	911,122	884,065
Prof. sharing	300,000	450,000
Income taxes	764,177	489,881
Dividend declared	245,302	242,363
Res. for future contr. costs	193,000	—
Other accruals	243,813	192,954
Curr. Liabilities	$ 3,809,530	$ 3,805,977
+ Common stock	677,235	673,230
Add. paid-in capital	9,596,913	9,409,805
Retained earnings	9,872,911	9,292,529
Total Liabilities & Shareholders' Equity	$ 23,956,589	$ 23,181,541

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.52	14.19
%Net Income to Revenues	4.46	8.53
%Net Income to Equity	5.30	9.63
Working Capital	$ 8,702,541	$ 7,067,346
Current Ratio	3.28	2.86
Shareholders' Equity	$20,147,059	$19,375,564

Infrared Industries, Inc.

6307 Carpinteria Avenue
Carpinteria, California 93013
(805) 684-8181

mailing address:

P.O. Box 989
Santa Barbara, California 93102

Officers: Hamilton O. Hauck, chairman of the board, president & chief exective officer; Max J. Riedl, exec. v.p. & chief operating officer; Robert A. Bell, v.p. & gen. mgr., Eastern Div.; Ernest J. Sargeant, secretary; Robert R. Peek, treasurer; Kathryn Brandt, assistant secretary.

Directors: Hamilton O. Hauck, chairman; Michael F. Coyne, L. Walter Fleischer, Max J. Riedl, Robert A. Bell, Thomas F. Coyne.

Divisions:

Western Division
P.O. Box 989
Santa Barbara, California 93102
(805) 684-4181

Produces optical instruments, automotive exhaust gas analyzers, lenses, telescopes, mirrors, prisms, beam splitters, optical coatings, reticles and flats; temperature-measuring medical scanning and industrial scanning radiometers; integrators, blackbodies, radiation sources, low noise instrumentation, amplifiers, transistors preamplifiers, voltage calibrators, integrators, bias supplies, modulators, infrared test consoles and collimators.

Eastern Division
P.O. Box 42
Waltham, Massachusetts 02154
(617) 890-5400

Produces radiation detectors and filter wheels, specialized optical filters, interference filter sets and imaging source arrays, filter detectors, microcircuit electronics, dewars and infrared detector test consoles.

Transfer Agent(s):

Bank of America National Trust & Savings
Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INFR (NASDAQ)

Number of Employees:

1981	380	1978	362
1980	378	1977	360
1979	433		

Plant Footage:

1981	127,000 sq. ft.	1978	135,000
1980	135,000	1977	135,000
1979	135,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 15,866,000	$ 432,000
1980	15,596,284	1,393,660
1979	11,016,892	982,421
1978	9,804,876	314,082
1977	1,016,554	772,627

	No. of Com. Shares	Earn. per Share ‡ +
1981	1,294,858	$ 0.31
1980	1,294,858	1.03
1979	1,294,858	0.76
1978	1,294,858	0.24
1977	1,294,858	0.60

‡ Including extraordinary gains of $96,000 ($0.07 per share) in 1980, $435,000 ($0.34 per share) in 1979, $152,000 ($0.12 per share) in 1978 and $360,000 ($0.28 per share) in 1977.
+ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Optics	$ 7,666,000	$ 7,152,000
Radiation electronics	8,200,000	8,444,000
Total	$ 15,866,000	$ 15,596,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 5,365,000	$ 4.14
1980	4,932,711	3.81
1979	3,539,051	2.73
1978	2,556,630	1.97
1977	2,242,548	1.73

Income Account *

Year ended April 30	1981	1980
Net sales	$ 15,866,000	$ 15,596,284
Cost of sales	11,062,000	10,314,806
Expenses	3,160,000	2,758,543
Interest expense	298,000	226,275
Income before taxes	$ 806,000	$ 2,296,660
Income taxes	374,000	999,000
Net income	$ 432,000	$ 1,297,660
Extraord. credit	—	96,000
Net Income & extraord. credit	$ 432,000	$ 1,393,660

* Included in Costs and Expenses, Depreciation and Amortization: $424,000 in 1981 and $346,412 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 401,000	$ 679,215
Accts. receiv., net	3,421,000	2,372,452
*Inventories	2,718,000	3,594,979
Prepaid expenses	78,000	77,641
Current Assets	$ 6,618,000	$ 6,724,287
Note receiv.	—	225,000
#Fixed assets	2,253,000	2,224,584
Total Assets	$ 8,871,000	$ 9,173,871

Liabilities

	1981	1980
Long-term debt, curr.	$ 422,000	$ 150,793
Accts. payable	627,000	693,667
Accruals	276,000	373,217
Accrued payroll	453,000	471,974
Accrued taxes	377,000	794,472
Curr. Liabilities	$ 2,155,000	$ 2,484,123
Long-term debt	1,348,000	1,752,205
Deferred income	3,000	4,832
+Common stock	3,847,000	3,846,645
Add. paid-in capital	43,000	43,033
Retained earnings (deficit)	1,475,000	1,043,033
Total Liabilities & Shareholders' Equity	$ 8,871,000	$ 9,173,871

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.08	14.73
%Net Income to Sales	2.72	8.32
%Net Income to Equity	8.05	26.31
Sales to Inventories	5.84	4.34
Working Capital	$4,463,000	$4,240,164
Current Ratio	3.07	2.71
Shareholders' Equity	$5,365,000	$4,932,711

Instron Corporation

100 Royall Street
Canton, Massachusetts 02021
(617) 828-2500

Officers: George S. Burr, chairman of the board; Harold Hindman, president; George G. Zahler, vice president-European operations and managing director of Instron Limited; Donald R. Meltzer, v.p.-finance & treasurer; Paul R. Rugo, secretary & clerk.

Directors: George S. Burr, George P. Gardner, Jr., George G. Zahler, Paul R. Rugo, John F. Betts, Nicholas J. Grant, Harold Hindman.

Areas of Work: Develops, manufactures and distributes electromechanical servohydraulic, rheometric, vibration, environmental chamber and electromagnetic resonance instruments, systems and accessories for assessing the physical and mechanical characteristics of the full spectrum of the earth's materials. The Company's product line includes instruments and systems that are microprocessor or computer controlled.

Subsidiaries:

Instron Limited
High Wycombe, Bucks, England

Instron A.G.
Zurich, Switzerland

Instron S.A.
Buc, France

Instron Japan Company, Ltd.
Tokyo, Japan

Instron Pty., Ltd.
Melbourne, Australia

Instron Canada, Ltd.
Ontario, Canada

Instron, G.m.b.H.
Karlstein/Main, Germany

Equipamentos Cientificos Instron Ltda.
Sao Paulo, Brazil

Instron Environmental Limited
High Wycombe, Bucks, England

Instron Asia Limited
Tokyo, Japan

Transfer Agent(s):

The First National Bank of Boston
40 Morrissey Boulevard
Boston, Massachusetts 02125

Stock Exchange(s): American

Ticker Symbol: ISN

Number of Employees:

1981	955	1979	940
1980	955		

Plant Footage:

1981	245,000 sq. ft	1979	245,000
1980	245,000		

Sales and Earnings ‡

	Net Sales	Net Income †
1981	$ 58,124,000	$ 1,102,000
1980	58,538,000	2,874,000
1979	48,817,000	3,832,000
1978	39,992,000	2,481,000
1977	28,922,000	961,000

	No. of Com. Shares	Earn per Share #†
1981	981,507	$ 1.12
1980	976,790	2.96
1979	961,937	3.88
1978	945,972	2.55
1977	923,067	1.00

(Loss)

‡ Restated to reflect change in accounting method to comply with FASB statement No. 52 concerning foreign currency translations.

# Based on average number of shares outstanding.

† Including extraordinary gains $207,000 ($0.21 per share) in 1980, $98,000 ($0.10 per share) in 1979 and $264,000 ($0.27 per share) in 1978.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.40	—	—
1979	0.40	—	—
1978	0.30	—	—
1977	0.20	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 21,429,000	$ 21,83
1980	23,610,000	24.17
1979	20,565,000	21,38
1978	16,216,000	17,14
1977	13,492,000	14.62

‡ Restated.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 58,124,000	$ 58,538,000
Cost of sales	32,101,000	32,267,000
Expenses	23,507,000	21,155,000
Oper. profit	$ 2,516,000	$ 5,116,000
Foreign exchange gain	54,000	(7,000)
Interest expense	2,455,000	2,518,000
Income before taxes	$ 7,000	$ 2,605,000
Tax credit	(1,095,000)	(62,000)
Net Income	$ 1,102,000	$ 2,775,000
Extraord. gain	—	207,000
Net Income & extraord. gain	$ 1,102,000	$ 2,982,000

* Included in Costs and Expenses, Depreciation: $1,279,000 in 1981 and $1,323,000 in 1980.

‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 417,000	$ 622,000
Accts. receiv., net	15,204,000	14,802,000
Refund. inc. taxes	716,000	—
*Inventories	19,087,000	22,292,000
Prepaid expenses & other assets	1,568,000	1,868,000
Current Assets	$ 36,992,000	$ 39,584,000
# Fixed assets	11,215,000	11,364,000
Other assets	593,000	579,000
Total Assets	$ 48,800,000	$ 51,527,000

Liabilities

Notes payable	$ 8,539,000	$ 9,523,000
Accts. payable	3,713,000	3,149,000
Accruals	4,073,000	3,991,000
Income taxes	28,000	837,000
Advanced payments	797,000	879,000
Curr. Liabilities	$ 17,150,000	$ 18,379,000
Long-term debt	9,312,000	7,500,000
Minority interest	34,000	42,000
Deferred inc. taxes	875,000	1,996,000
+Common stock	1,090,000	1,085,000
Add. paid-in capital	4,034,000	4,001,000
Retained earnings	18,059,000	17,350,000
Cum. trans. adjust	(1,147,000)	1,781,000
Treasury stock	(607,000)	(607,000)
Total Liabilities & Shareholders' Equity	$ 48,800,000	$ 51,527,000

‡ Restated

*At lower of cost or market. Inventories valued at LIFO in U.S. & Japan; FIFO in all other countries.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Net Income to Sales	1.90	4.74
%Net Income to Equity	5.14	11.75
Sales to Inventories	3.05	2.63
Working Capital	$19,842,000	$21,205,000
Current Ratio	2.16	2.15
Shareholders' Equity	$21,429,000	$23,610,000

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544

Officers: Edward J. Garrett, chairman of the board, president & chief executive officer; Robert Balemian, v.p.-finance Myron I. Levy, v.p.; Alice C. Reinvelt, secretary; Patrick L. Alesia, treasurer.

Directors: Bertrand Bell, Abraham Buchman, J. Judd Cooperstein, William N. Robertson, Turner F. Caldwell, Roy Carol, Edward J. Garrett, J. Frank Stengel, Jr., Helmuth W. Waldorf, William H. Waldorf, Daniel Freed, Samuel C. Wolfensohn.

Areas of Work: Through its electronics subsidiary, Telephonics Corporation, the company is engaged in the manufacture of advanced electronic and multiplexed communications, principally for use by commercial and military aircraft. The company also manufactures cable handling systems and submersible hydrophones.

Buildex Incorporated (81% owned), designs, manufactures and sells specialized architectural and hardware components; also fabricates specialized metal products for commercial, industrial, institutional and residential markets.

The Lightron Corporation manufactures and markets a wide range of commercial and industrial products for the lighting and home furnishings industry, including lighting fixtures, mattresses, box springs and frames, related bedroom furniture, wood moldings, synthetic fiber batting and drapery hardware.

Also produces and distributes automatic torque converters and clutches for industrial and recreational vehicles, and a line of aluminum truck bodies.

Divisions and Subsidiaries:

Benjamin Electronic Sound Co.
790 Park Avenue
Huntington, New York 11743
(516) 673-8600

Manufactures and distributes Elac magnetic cartridges. Elac/Miracord automatic turntables.

Concord Communications System Division
790 Park Avenue
Huntington, New York 11743
(516) 673-8600

Manufactures, designs and markets home entertainment systems and industrial television products.

ISC Audio-Earth Sound Research
790 Park Avenue
Huntington, New York 11743
(516) 673-8600

Manufactures, designs and markets electronic guitar amplifiers, P.A. systems, and associated products.

ISC/Data Processing Division
789 Park Avenue
Huntington, New York 11743
(516) 549-8200

Products and services include order and invoice preparation, open order reporting, inventory control, bills of materials, accounts receivable, sales analysis, payroll, general ledgers, overhead expense reporting, etc.

Instrument Systems International, Inc.
State Road 686, kil. 0.5
Vega Baja, Puerto Rico
(809) 858-1440

Telephonics Division
770 Park Avenue
Huntington, New York 11743
(516) 549-6000

Manufactures, designs and markets multiplex service, entertainment, communications and control systems; airborne and ship data processing and display systems; counter-measures systems; aircraft and ship communications systems; acoutics, electromechanical systems; headsets and microphones.

Lightron Corporation
789 Park Avenue
Huntington, New York 11743
(516) 549-8202

Commercial lighting for offices, stores, factories; chandeliers, lamps and other residential lighting; bedding, molding, drapery hardware.

Bendix Mouldings, Inc.
Dixie Bedding Co.
Geringer and Sons Manufacturing Co.
Grammercy Park Lighting Co.
Auralame Mfg. Co.
Magna Metal Finishing Co.
Laurel Lamp Manufacturing co.
O.B. Masco Drapery Hardware Company
Schiller Cordey, Inc.
Western Synthetic Felt Co.

Buildex Incorporated
789 Park Avenue
Huntington, New York 11743
(516) 549-8201

Windows, architectural metalwork, curtainwall, pipe support systems, sliding hardware; hinges, latches and institutional hardware.

Tennyson Corporation
Buildex Supply Corporation
Redco Industries

F & S Central
B-Line Metal Framing Corporation
Electrical Pipe Support Corp.
Grandor Corp.
Standard-Keil Hardware Manufacturing Co.
Lyncoach and Truck Company
231 Bypass
Troy, Alabama 36081
(205) 566-4330

Aluminum truck bodies; aluminum walk-in truck bodies; platform bodies; carnival vans; dental and x-ray coaches and trailers; special mobile units.

Salsbury Industries
1010 East 62nd Street
Los Angeles, California 90001
(213) 232-6181

Automatic clutches and torque converters for industrial and recreational vehicles.

Transfer Agent(s):

American Stock Transfer
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Plant Footage:

1980 .... 193,000 sq. ft.

Instrument Systems Corporation

Sales and Earnings

	Net Sales ‡	Net Income #
1981	$ 113,848,000	$ (11,407,000)
1980	107,592,000	(15,093,000)
1979	105,333,000	3,517,000
1978	95,253,000	1,726,000
1977	83,013,000	(13,705,000)

	No. of Com. Shares	Earn. per Share # +
1981	5,340,971	$ —
1980	31,783,311	—
1979	26,097,024	0.49
1978	21,024,491	—
1977	14,198,276	—

(Loss)

‡ Of continuing operations only.

Including extraordinary gains of $1,500,000 ($0.05 per share) in 1979, $750,000 ($0.03 per share) in 1978, $1,350,000 ($0.11 per share) in 1977.

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Home furnishings & furniture related prods	$ 35,734,000	$ 31,595,000
Fabricated structural metal prods.	11,748,000	12,022,000
Specialty hardware	19,375,000	17,193,000
Electronic comm. equipment	31,626,000	34,856,000
Other prods.	15,365,000	11,926,000
Total	$ 113,848,000	$ 107,592,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 8,415,757	$ 1.58
1980	12,908,630	0.41
1979	22,841,310	0.88
1978	14,772,490	0.70
1977	8,857,330	0.62

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 113,848,000	$ 107,592,000
Cost of sales	81,330,000	73,871,000
Expenses	30,292,000	29,053,000
Interest expense	6,907,000	5,388,000
Other expense	800,000	—
Other income	353,000	(380,000)
Income (loss) bef. taxes	$ 5,128,000	$ (387,000)
Income taxes	418,000	560,000
(Loss) bef. minority interests	$ (5,546,000)	$ 947,000
Minority interest	86,000	155,000
(Loss) from cont. oper.	$ 5,632,000	$ (1,102,000)
Discont. oper.	(6,205,000)	(13,991,000)
Loss before extraord. item	$ (11,837,000)	$ (15,093,000)
Extraordinary gain	430,000	—
Net (Loss) & extraord. gain	$ (11,407,000)	$ (15,093,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,322,000 in 1981 and $2,349,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 2,603,000	$ 5,526,000
Accts. receiv., net	18,303,000	22,388,000
Inc. not yet billed	3,830,000	5,324,000
*Inventories	37,257,000	44,753,000
Prepaid expenses	1,535,000	1,597,000
Assets of discont. oper.	4,000,000	14,264,000
Current Assets	$ 67,528,000	$ 93,852,000
#Fixed assets	19,146,000	20,728,000
Other assets	5,614,000	5,840,000
Total Assets	$ 92,288,000	$ 120,420,000

Liabilities

Notes payable	$ 6,772,000	$ 3,216,000
Long-term debt, curr.	1,934,000	3,916,000
Accts. payable	11,841,000	13,947,000
Accruals	8,663,000	8,327,000
Curr. Liabilities	$ 29,210,000	$ 29,406,000
Long-term debt	45,042,000	68,693,000
Cap. lease oblig.	—	419,000
Minority interest	3,788,000	4,033,000
Deferred income	476,000	538,000
+Preferred stock:		
Series A	2,000	2,000
Series I	93,000	111,000
+Common stock	1,339,000	7,978,000
Add. paid-in capital	44,309,000	29,526,000
Retained earnings (deficit)	(28,699,000)	(17,292,000)
Treasury stock	(1,822,000)	(1,544,000)
Redempt. val. Series A pref. stock	(700,000)	(700,000)
Receiv. offset pursuant to pursuant agreement	(750,000)	(750,000)
Total Liabilities & Shareholders' Equity	$ 92,288,000	$ 120,420,000

* At lower of cost (FIFO or average) or market.

# Less accumulated depreciation.

+ $0.25 par value.

Statistical Summary

Sales to Inventories	3.06	2.40
Working Capital	$38,318,000	$64,446,000
Current Ratio	2.31	3.19
Shareholders' Equity	$13,772,000	$17,331,000

Intel Corporation

3065 Bowers Avenue
Santa Clara, California 95051
(408) 246-7501

Officers: Gordon E. Moore, chairman of the board & chief executive officer; Robert N. Noyce, vice chairman; Andrew S. Grove, president & chief operating officer; Laurence R. Hootnick, sr. v.p.-finance & administration; Leslie L. Vadasz, sr. v.p. & dir.-corp. strategic staff; Edward L. Gelbach, sr. v.p. & gen. mgr.-Components Group; Roger S. Borovoy, v.p.-general counsel & secretary; Vaemond H. Crane, v.p. & gen. mgr.-Systems Div.; Keith L. Thomson, v.p. & dir.-Systems Operations; George H. Schneer, v.p. & gen. mgr.-Non-Volatile Memory Division; Harold Hughes, treasurer; Jack C. Carsten, v.p. & gen. mgr.-Microcomputer Components Div.; Ronald J. Whittier, v.p. & gen. mgr.-Memory Components Div.; Eugene J. Flath, v.p. & asst. gen. mgr.-Components Group; William H. Davidow, sr. v.p. & dir.-corp. marketing; Willard L. Kauffman, v.p. & dir.-components production; Gerhard H. Parker, v.p. & dir.-technology development; Henry M. O'Hara, v.p. & dir.-sales.

Directors: Arthur Rock*, Edward L. Gelbach, Andrew S. Grove, D. James Guzy, Richard Hodgson, Sanford Kaplan, Gordon E. Moore*, Robert N. Noyce*, Max Palevsky, Charles E. Young.

*Member of Executive Committee.

Areas of Work: Engaged in the design, development, manufacture and sale of LSI (large scale integrated) semiconductor components and systems incorporating these components.

Divisions:

Microcomputer Systems Division
Santa Clara, California

Commercial Systems Division
Phoenix, Arizona

MRI Systems Corporation
Austin, Texas

Memory Systems Division
1302 N. Mathilda Avenue
Sunnyvale, California 94086
(408) 734-8102

Components Division
Santa Clara, California

Microcomputer Components Division
Santa Clara, California

Transfer Agent(s):

Wells Fargo Bank
San Francisco, California

Wells Fargo Securities
Clearance Corp.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTC (NASDAQ)

Number of Employees:

1981	16,800	1978	10,900
1980	15,900	1977	8,100
1979	14,300		

Sales and Earnings

	Net Revenues	Net Income
1981	$ 788,676,000	$ 27,359,000
1980	854,561,000	96,741,000
1979	660,984,000	77,804,000
1978	399,390,000	44,314,000
1977	282,549,000	31,716,000

	No. of Com. Shares +	Earn. per Share #
1981	43,766,000	$ 0.61
1980	42,736,000	2.21
1979	41,384,000	1.85
1978	39,832,000	1.08
1977	38,692,000	0.80

+ Adjusted to reflect stock splits.

# Based on weighted average number of capital shares and capital share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1
1979	—	—	3-for-2
1978	—	—	5-for-4
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 487,817,000	$ 11.15
1980	432,860,000	10.13
1979	303,189,000	7.33
1978	205,062,000	5.15
1977	148,942,000	3.85

# Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net revenues	$ 788,676	$ 854,561
Cost of sales	458,308	399,438

		1981		1980
Expenses		300,789		272,003
Interest expense (income)		(10,655)		(2,209)
Income before taxes	$	40,234	$	185,329
Income taxes		12,875		88,588
Net Income	$	27,359	$	96,741

* Included in Costs and Expenses, Depreciation: $62,976,000 in 1981 and $48,983,000 in 1980.

Assets
(000's)

As of Dec. 31		1981		1980
Cash & cash equiv.	$	115,260	$	127,681
Accts. receiv., net		179,604		195,644
*Inventories		97,452		91,401
Prepaid inc. taxes & other assets		67,454		31,883
Current Assets	$	459,770	$	446,609
‡Fixed Assets		411,747		320,559
Total Assets	$	871,517	$	767,168

Liabilities
(000's)

		1981		1980
Notes payable	$	31,899	$	11,844
Accts. payable		41,700		30,350
Accruals		45,705		39,902
Deferred income		52,683		46,033
Profit sharing accrual		—		15,250
Income taxes				3,892
Curr. Liabilities	$	171,977	$	147,271
Convert. subord. 7% deben.		150,000		150,000
Deferred inc. taxes		44,019		23,266
Investment tax credits		17,704		13,771
+Capital stock		155,577		127,979
Retained earnings		332,240		304,881
Total Liabilities & Shareholders' Equity	$	871,517	$	767,168

* At lower of cost (FIFO & currently adjusted standard basis) or market.
‡ Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	5.10	21.69
%Net Income to Revenues	3.47	11.32
%Net Income to Equity	5.61	22.35
Working Capital	$287,793,000	$299,338,000
Current Ratio	2.67	3.03
Shareholders' Equity	$487,817,000	$432,860,000

Intercontinental Dynamics Corporation

170 Coolidge Avenue
P.O. Box 81
Englewood, New Jersey 07631
(201) 567-3600

Officers: Sam Sharko, president & treasurer; John H. Andersen, Jr., Frederick M. Winnai, vice presidents; Ethel C. Lebherz, secretary.

Directors: Stuart A. Jackson, Ethel C. Lebherz, Sam Sharko, Frederick M. Winnai.

Areas of Work: Develops, fabricates and tests aircraft flight instruments and systems. Among the Company's products are portable air data testers, altimeters, air data computers, encoding altimeters, altitude alerters, digital altitude indicators, static air temperature indicators, SAT/TAS indicators, vertical speed indicators, cabin pressurization systems, and altitude controllers.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICDY (NASDAQ)

Number of Employees:

1981	360	1978	240
1980	350	1977	200
1979	280		

Plant Footage:

1981 . . . . . . 68,000 sq. ft.

Sales and Earnings

		Net Sales		Net Income
1981	$	22,131,349	$	1,148,506
1980		18,643,601		1,066,926
1979		14,240,513		840,820
1978		12,151,691		679,333
1977		10,400,897		588,004

	No. of Com. Shares #	Earn. per Share #
1981	940,473	$ 1.22
1980	940,473	1.13
1979	940,473	0.89
1978	940,473	0.72
1977	940,473	0.62

# Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.10	—	—
1979	0.07	—	—
1978	0.05	—	—

Common Stock Equity

		Total Equity	Equity Per Share #
1981	$	7,083,978	$ 7.53
1980		6,029,519	6.41
1979		5,056,641	5.38
1978		4,281,654	4.55
1977		3,649,344	3.88

# Based on the average number of shares outstanding.

Income Account *

Year ended June 30		1981		1980
Net Sales	$	22,131,349	$	18,643,601
Cost of sales		14,992,989		12,899,826
Expenses		3,632,838		3,094,667
Interest expense		1,294,586		663,527
Income before taxes	$	2,210,936	$	1,985,581
Income taxes		1,062,430		918,655
Net Income	$	1,148,506	$	1,066,926

* Included in Costs and Expenses, Depreciation and Amortization: $115,992 in 1981 and $89,213 in 1980.

Assets

As of June 30		1981		1980
Cash	$	118,768	$	104,232
Accts. receiv., net		2,947,921		2,724,741
*Inventories		15,122,900		11,786,744
Prepaid expenses		83,476		83,082
Current Assets	$	18,273,065	$	14,698,799
#Fixed assets		1,285,633		582,468
Defer. charges & other assets		91,997		106,205
Total Assets	$	19,650,695	$	15,387,472

Liabilities

		1981		1980
Notes & loans payable	$	6,192,425	$	3,488,346
Accts. & notes payable		2,675,663		2,894,772
Accruals		1,115,458		878,813
Income taxes		980,785		280,376
Curr. Liabilities	$	10,964,332	$	7,542,307
Long-term debt:				
6% Conv. subord. deb.		48,221		190,646
Notes & loans		1,125,000		1,625,000
Mortgage payable		429,165		-
* Common stock		94,047		94,047
Add. paid-in capital		1,231,736		1,231,736
Retained earnings		5,758,195		4,703,736
Total Liabilities & Shareholders' Equity	$	19,650,695	$	15,387,472

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	9.99	10.65
%Net Income to Sales	5.19	5.72
%Net Income to Equity	16.21	17.70
Sales to Inventories	1.46	1.58
Working Capital	$7,308,734	$7,156,492
Current Ratio	1.67	1.95
Shareholders' Equity	$7,083,978	$6,029,519

Interdyne Company

14761 Califa Street
Van Nuys, California 91411
(213) 787-6800

Officers: William M. Ballon, chairman of the board & secretary; T.D. Caswell, president & treasurer; Richard A. Lewis, William K. Geist, v.p.'s; John D. Marsh, controller & asst. treasurer; Gwen A. McCracken, asst. secretary.

Directors: T.D. Caswell*, William M. Ballon*, Richard A. Lewis, Mitchell B. Howe, F. George Humiston*, Melvin Simmonds.

* Member of Executive Committee.

Areas of Work: Designs, manufactures and markets a line of electronic panels for integrated circuit packaging under the trade name ADEPT. Also designs, manufactures and markets a line of IC logic panels and accessories for the computer peripheral industry. Interdyne's products are used in the computer peripheral, telecommunications and computer industries.

Transfer Agent(s):

Universal Stock Transfer Co.
Woodland Hills, California 91364

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	30	1978	25
1980	30	1977	30
1979	25		

Plant Footage:

1981	6,611 sq. ft.	1976	8,460
1980	6,611	1977	8,460
1979	8,460		

Sales and Earnings

		Net Sales		Net Income
1981	$	1,002,471	$	(28,335)
1980		1,331,292		2,571
1979		1,046,837		(48,088)
1978		965,247		(58,287)
1977		1,408,844		(130,175)

	No. of Com. Shares	Earn. per Share
1981	1,735,722	$ —
1980	1,722,018	—
1979	1,722,018	—
1978	1,722,018	—
1977	1,722,018	—

(Loss)

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 142,309	$ 0.08
1980	147,581	0.09
1979	145,010	0.08
1978	193,098	0.11
1977	251,385	0.15

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 1,002,471	$ 1,331,292
Cost of sales	601,712	854,737
Expenses	208,854	263,409
Research & devel.	164,696	164,249
Interest expense	26,148	34,045
Write-down of equip.	—	11,881
Abandoned merge. expense	28,996	—
Income (loss) before taxes	$ (27,935)	$ 2,971
Income taxes	400	400
Net Income (Loss)	$ (28,335)	$ 2,571

* Included in Costs and Expenses, Depreciation and Amortization: $23,113 in 1981 and $46,804 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 8,368	$ 14,783
Accts. receiv., net	211,177	202,585
*Inventories	175,698	170,949
Prepaid expenses	3,638	3,668
Current Assets	$ 398,881	$ 391,985
#Fixed assets	26,916	46,828
Other assets	4,547	4,537
Total Assets	$ 430,344	$ 443,350

Liabilities

	1981	1980
Notes payable	$ 122,500	$ 140,000
Long-term debt, curr.	5,426	12,395
Accts. payable	97,725	81,607
Accruals	20,796	19,028
Accrued payroll	41,588	37,489
Curr. Liabilities	$ 288,035	$ 290,519
Long-term lease liabilities	—	5,250
+Common stock	438,005	430,505
Add. paid-in capital	237,417	221,854
Retained earnings (deficit)	(533,113)	(504,778)
Total Liabilities & Shareholders' Equity	$ 430,344	$ 443,350

* At lower of cost (FIFO) or market.
# Less acculated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	—	0.22
%Net Income to Sales	—	0.19
%Net Income to Equity	—	1.74
Sales to Inventories	5.71	7.79
Working Capital	$110,846	$101,466
Current Ratio	1.38	1.35
Shareholders' Equity	$142,309	$147,581

Interface Mechanisms, Inc.

4405 Russell Road
P.O. Box N
Lynnwood, Washington 98036
(206) 743-7036

Officers: David C. Allais, president; Ivan G. Hastler, vice president & treasurer; William H. Gates, secretary.

Directors: David C. Allais, David B. Pivan, Steve Sarich, Jr., Charles L. Anderson.

Areas of Work: Involved in the developing, manufacturing and marketing of machines and devices used for precision printing of bar code, OCR, and other images, and light pen reading.

Affiliates:

Intermec France S.A.
Paris, France

Intermec GmbH
Frankfurt,
West Germany

Intermec UK Ltd.
Reading, England

Intermec Strichcode AG
Zurich, Switzerland

Transfer Agent(s):

Seattle-First National Bank
Corporate Trust Department
P.O. Box 24186
Seattle, Washington 98124

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTR (NASDAQ)

Number of Employees:

1982	240	1979	220
1981	300	1978	78
1980	240		

Plant Footage:

1982	75,000 sq. ft.	1979	32,000
1981	75,000	1978	32,000
1980	32,000		

Sales and Earnings ‡

	Net Revenues #	Net Income +
1982	$ 14,256,623	$ 715,336
1981	15,636.043	1,650,853
1980	10,164.439	827,522
1979	6,716,236	1,030,077
1978	2,623,191	485,306

	No. of Com. Shares	Earn per Share +
1982	2,167,177	$ 0.33
1981	2,150,127	0.84
1980	1,894,677	0.43
1979	1,888,277	0.55
1978	1,683,277	0.26

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Includes revenue from product sales, engineering services and job shop.
+ Including extraordinary gains of $19,458 ($0.01 per share) in 1979, and $226,250 ($0.12 per share) in 1978.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1982	$ 9,383,355	$ 4.33
1981	8,531,023	3.97
1980	3,368,520	1.78
1979	2,504,910	1.33
1978	963,247	0.57

‡ Restated.

Income Account *

Year ended March 31	1982	1981 ‡
Net Sales	$ 14,256,623	$ 15,636,043
Cost of sales	7,709,226	8,164,925
Expenses	5,890,939	4,552,809
Interest income	(384,772)	(105,035)
Interest expense	(941,081)	(131,081)
Income before taxes	$ 1,040,336	$ 2,892,263
Income taxes	325,000	1,241,410
Net Income	$ 715,336	$ 1,650,853

* Included in Costs and Expenses, Depreciation and Amortization: $247,276 in 1982 and $150,946 in 1981.
‡ Restated.

Assets

As of March 31	1982	1981
Cash	$ 367,843	$ 66,379
Short-term investment	2,922,895	2,321,449
Accts. receiv., net	3,114,589	3,750,089
*Inventories	3,498,762	4,640,223
Prepaid expenses	21,589	26,022
Prepaid inc. taxes	90,000	—
Current Assets	$ 10,015,678	$ 10,804,162
#Fixed assets	1,201,420	889,804
Other assets	174,941	119,474
Total Assets	$ 11,392,039	$ 11,813,440

Liabilities

	1982	1981
Notes payable & accrued interest	$ —	$ 155,792
Accts. payable	578,233	1,150,385
Accrued taxes	134,766	148,929
Accrued payroll	710,228	909,774
Other liabilities	60,148	54,226
Inc. taxes payable	144,379	559,456
Accrued warranty expense	300,930	247,855
Curr. Liabilities	$ 1,928,684	$ 3,226,417
Deferred inc.taxes	80,000	56,000
+Common stock	1,300,306	1,253,288
Add.paid-in capital	5,257,350	5,167,372
Retained earnings	2,825,699	2,110,363
Total Liabilities & Shareholders' Equity	$ 11,392,039	$ 11,813,440

‡ Restated.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.60 par value.

Statistical Summary

	1982	1981
%Income bef. Taxes to Sales	7.30	18.50
%Net Income to Sales	5.02	10.56
%Net Income to Equity	7.62	19.35
Sales to Inventories	4.07	3.37
Working Capital	$8,086,994	$7,577,745
Current Ratio	5.19	3.35
Shareholders' Equity	$9,383,355	$8,531,023

Intermark, Inc.

1020 Prospect Street, Suite 210
P.O. Box 1149
La Jolla, California 92038
(714) 459-3841

Officers: Charles R. Scott, president and chief executive officer; Robert J. Barrett, v.p. and chief administrative officer; Frank C. Alexander, v.p. and chief financial officer; Kraig W. Kramers, group v.p.; Mitchell R. Woodbury, v.p. and corporate counsel; Sandra J. Fry, asst. corp. secr.

Directors: Clark A. Johnson, Gordon C. Luce, John C. Monday, Charles R. Scott, Thomas N. Warner.

Areas of Work: Intermark is a conglomerate composed of six California-based subsidiaries with products and services ranging from electronics to landscaping to transportation.

Divisions and Subsidiaries:

Topaz Electronics (64% owned)
3855 Ruffin Road
San Diego, Caifornia 92123
(714) 279-0111

Manufactures and markets electronic power conversion equipment; electronic noise suppression equipment; uninterruptible power systems, and AC power conditioners.

Keystone Products, Inc.
1333 South Bon View Avenue
Ontario, California 91761
(714) 983-3581

Engages in the development, manufacture and sale of custom wheels for the automotive market.

Arts & Crafts Press
1949 West Walnut Street
San Diego, California 92112
(714) 297-0261

Designs and produces fine quality commercial and publication printing, both offset and letterpress.

Nurseryland Garden Centers, Inc.
3132 Jefferson Street
San Diego, California 92110
(714) 291-2141

Grows and retails plants and related decorative products for the home, patio, and garden through major garden centers.

Anthem Electronics (52% owned)
174 Component Drive
San Jose, California 95131
(408) 946-8000

Distributes high technology semiconductor products, primarly to original equipment manufacturers of electronic hardware.

Franklin Press
1001 South Arrowhead Avenue
San Bernardino, California 92408
(714) 889-9773

A commercial printer serving the Los Angeles area.

Superior Transmed
14700 South Spring Avenue
Santa Fe Springs, California 90670
(213) 921-6778

Supplies paramedical vehicles and associated medical equipment in 10 Western States.

Acquisition(s):

Superior Western Company
(March 1982)
Manufactures & sells ambulances, funeral coaches & other specialized vehicles.

Franklin Press
(July 1980)
Commercial printing company.

Manson Sporting Goods Co., Inc.
(September)
Distributor of sporting goods.

Appliance Industries, Inc.
(December 1980)
Manufacturer of custom automotive wheels.

Transfer Agent(s):

First Interstate Bank of California

Stock Exchange(s): American

Ticker Symbol: IMI

Number of Employees:

1982	2,152	1979	1,583
1981	1,982	1978	1,184
1980	1,428		

Sales and Earnings

	Net Revenues ‡	Net Income #
1982	$ 191,645,000	$ 1,449,000
1981	139,906,000	5,316,000
1980	107,476,000	7,856,000
1979	90,069,000	2,542,000
1978	61,448,000	1,882,000

	No. of Com. Shares †	Earn. per Share # †
1982	2,762,000	$ 0.52
1981	2,778,000	1.87
1980	1,864,000	4.21
1979	1,764,000	1.44
1978	1,706,000	1.10

‡ Of continuing operations only.
# Including extraordinary gains of $746,000 ($0.44 per share) in 1978.
† Based on weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1982	1981
Topaz, Inc.	$ 37,454,000	$ 32,201,000
Anthem Electronics	38,653,000	36,179,000
Manson Sporting Goods	17,383,000	—
Dynamark	34,145,000	19,741,000
Golden West Graphics	15,139,000	12,429,000
Nursery Garden Centers	29,371,000	22,242,000
Superior Trans-Med	6,521,000	5,742,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.16	10%	—
1980	0.13	10% & 10%	3-for-2
1979	0.09	—	—
1978	0.02	—	—

† Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1982	$ 26,681,000	$ 9.86
1981	26,201,000	9.62
1980	21,111,139	11.33
1979	11,528,277	6.54
1978	8,357,730	4.90

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended March 31	1982	1981
Net sales	$ 188,406	$ 136,955
Other income	3,239	2,951
Total income	$ 191,645	$ 139,906
Cost of sales	132,010	93,926
Expenses	46,089	4,924
Interest expense	8,525	4,924
Income before taxes	$ 5,021	$ 8,141
Income taxes	2,353	3,911
Minority interest	1,721	1,611
Eq. in inc. of subsid.	(502)	(910)
Gain from sale of stock	—	(1,867)
Net Income	$ 1,449	$ 5,316

Assets
(000's)

As of March 31	1982	1981
Cash	$ 3,650	$ 7,073
Receiv., net	40,531	25,445
*Inventories	45,433	27,713
Other assets	4,531	2,490
Current Assets	$ 94,145	$ 62,721
#Fixed assets	28,576	25,972
Other assets	21,665	12,559
Total Assets	$ 144,386	$ 101,252

Liabilities
(000's)

Short-term debt	$ 140	$ 2,411
Long-term debt, curr.	5,210	3,761
Accts. payable	16,815	9,630
Accruals	6,982	6,434
Income taxes	1,237	754
Curr. Liabilities	$ 30,384	$ 22,723
Long-term debt	68,362	35,093
Cap. lease oblig.	5,840	6,009
Deferred inc.	2,650	2,375
Other liabilities	10,469	8,851
Minority interest	8,972	9,022
+Common stock	7,769	7,742
Add. paid-in capital	9,940	9,437
Total Liabilities & Shareholders' Equity	$ 144,386	$ 101,252

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $3 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.66	5.94
%Net Income to Sales	0.77	3.88
%Net Income to Equity	5.43	20.29
Sales to Inventories	4.15	4.94
Working Capital	$63,761,000	$39,998,000
Current Ratio	3.10	2.76
Shareholders' Equity	$26,681,000	$26,201,000

International Business Machines Corporation

Old Orchard Road
Armonk, New York 10504
(914) 765-1900

Officers: Frank T. Cary, chairman of the board; John R. Opel, president; George B. Beitzel, Paul J. Rizzo, Jacques G. Maisonrouge, Ralph A. Pfeiffer, Jr., Dean R. McKay, sr. v.p.'s; Nicholas deB. Kazenbach, sr. v.p. & general counsel; Dean P. Phypers, sr. v.p.-Allen J. Krowe, v.p.-finance & planning; John F. Akers, Jack D. Kuehler, Clarence B. Rogers, Jr., v.p.'s & group executives; Arthur G. Anderson John E. Bertram, C. Michael Armstrong, James A. Bitonti, Terry R. Lautenbach, Thomas M. Liptak, Charles P. Biggar, James A. Bitonti, Erich Bloch, George H. Conrades, Edward W. Lucente, Frank A. Metz, H. Mitchell Watson, Lewis M. Branscomb, Walton E. Burdick, Kaspar V. Cassani, Frank J. Cummiskey, Wallace C. Doud, Robert B. Dunlop, Bob O. Evans, P. Martin Foley, Ralph E. Gomory, John B. Jackson, Charles E. McKittrick, Jr., Theodore C. Papes,Jr., William W. Eggleston, Francis G. Rogers, Victor J. Goldberg, David E. McKinney, John F. Williams, J. Richard Young, v.p.'s; C. Arthur Northrop, treasurer; James J. Forese, controller; John H. Grady, secretary; Bruce E. Langton, David A. Finley, asst. treasurers; Wallace R. DuBois, J. William Scruggs, John H. Stewart, asst. controllers; Thomas C. Irwin, asst. secretary.

Directors: Stephen D. Bechtel, Jr., George B. Beitzel, Frank T. Cary*, William T. Coleman, Jr., John M. Fox, G. Keith Funston*, Carla Anderson Hills, Amory Houghton, Jr.*, Nicholas deB. Katzenbach, T. Vincent Learson*, Maersk McKinney Moller, William H. Moore*, John R. Opel*, Dean R. McKay, J. Richard Munro, Paul J. Rizzo, Harold Brown, Patricia R. Harris, Dean P. Phypers, William W. Scranton, John N. Irwin II, Irving S. Shapiro*, Richard W. Lyman, Cyrus R. Vance, Thomas J. Watson, Jr.*, James E. Burke.

* Member of Executive Committee.

Divisions:

Federal Systems Division

Concentrates on advanced technology and systems for the ground-based, seaborne, airborne and spaceborne information-handling systems and control needs of the U.S. Government.

International Business Machines Corporation

Data Systems Division

Markets within the United States, IBM's information handling systems, equipment, computer programming, systems engineering, education, custom contracts and other related services.

Field Engineering Division

Services IBM information-handling systems and equipment, and provides support for programming systems.

Office Products Division

Develops, manufactures, markets and services electric typewriters, magnetic media typewriters input processing equipment, direct-impression composing products, copying equipment, and related supplies.

Real Estate and Construction Division

Arranges for the construction, purchasing or leasing of new company facilities.

Research Division

Basic research and development of technologies.

Information Products Division

Markets disk packs and data modules; manufactures and markets data processing cards, magnetic tape and cards, business forms and other consumable products used in information-handling systems.

General Products Division

Worldwide development and United States manufacturing responsibility for computer tape units, disk files and printers.

Communication Products Division

Worldwide development and U.S. manufacturing responsibility for communications equipment, terminal products and related communications technologies and programming.

Information Systems Division

Worldwide product management and development and U.S. manufacturing of low to moderate price information handling systems including electric typewriters, copiers, information distributors, and other office products.

General Business Group/International Division

Marketing, service, manufacturing and overall performance responsibility for general systems and office products operations in 21 countries in Europe, the Americas, and the Far East.

Data Systems Division

Worldwide development responsibility for large, complex systems, with primary emphasis on high-performance products and associated programming, plus U.S. manufacturing responsibility for those systems. Also supplies computer components, including logic and selected memory technologies, used in products that it and other IBM divisions manufacture in the U.S.

System Products Division

Worldwide development and United States manufacturing responsibility for central processor products including main storage, logic technologies, packaging technology, channels and cables; development and implementation of advanced design and manufacturing support systems.

General Technology Division

Worldwide development and United States manufacturing responsibility for the component technology requirements of the low-to-moderate price computer made by the General Systems Division and products of the Office Products Division.

Subsidiaries:

IBM World Trade Corporation

Conducts IBM's business outside the United States directly or through its subsidiaries.

Science Research Associates, Inc.

Develops, produces and markets textbooks, educational kits, learning systems, guidance products and testing materials and services for elementary and secondary schools, colleges, and industry.

IBM World Trade Americas/Far East Corporation

Conducts IBM's business in 44 countries, including Australia, Brazil, Canada, and Japan.

IBM World Trade Europe/Middle East Africa Corporation

Responsible for IBM operations in 77 countries, including the USSR, and the Eastern European countries.

Transfer Agent(s):

International Business Machines Corporation
Stockholder Relations Department
717 Fifth Avenue
New York, New York 10022

One IBM Plaza, 21st Floor
Chicago, Illinois 60611

Trust General du Canada
1100 University Street
Montreal, Quebec, Canada H3B 2G7

National Trust Company, Limited
21 King Street East
Toronto, Ontario, Canada M5C 1B3

Stock Exchange(s): New York, Phil-Balt-Wash, Pacific, Midwest, Cincinnati, Boston, Montreal, Toronto, Austria, Belgium, England, France, Japan, Switzerland, The Netherlands, W. Germany.

Ticker Symbol: IBM

Number of Employees:

1981	354,936	1978	325,517
1980	341,000	1977	310,155
1979	337,119		

Sales and Earnings

	Gross Income ‡ (000's)	Net Income (000's)
1981	$ 29,070,000	$ 3,308,000
1980	26,213,000	3,562,000
1979	22,862,776	3,011,259
1978	21,076,089	3,110,568
1977	18,133,184	2,719,414

	No. of Com. Shares †	Earn. per Share +
1981	591,838,382	$ 5.63
1980	583,806,832	6.10
1979	583,594,543	5.16
1978	583,241,454	5.32
1977	589,883,503	4.58

‡ Includes sales, services and rentals.
† Adjusted to reflect stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock split
1981	$3.44	—	—
1980	3.44	—	—
1979	3.44	—	4-for-1
1978	2.88	—	—
1977	2.50	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1981	$ 18,161,000	$ 30.69
1980	16,453,000	28.18
1979	14,961,235	25.64
1978	13,493,610	23.14
1977	12,618,473	21.39

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 12,901,000	$ 10,919,000
Rentals & services	16,169,000	15,294,000
Total income	$ 29,070,000	$ 26,213,000
Cost of sales	5,321,000	4,197,000
Cost of rentals & services	6,695,000	5,952,000
Expenses	11,027,000	10,324,000
Other income	(368,000)	(430,000)
Interest on debt	407,000	273,000
Income before taxes	$ 5,988,000	$ 5,897,000
Income taxes	2,680,000	2,335,000
Net Income	$ 3,308,000	$ 3,562,000

* Included in Costs and Expenses, Depreciation: $2,899,000,000 in 1981 and $2,362,000,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 454,000	$ 281,000
Marketable securities	1,575,000	1,831,000
Notes & accts. receiv., net	4,792,000	4,877,000
*Inventories	2,805,000	2,293,000
Prepaid expenses	677,000	643,000
Current Assets	$ 10,303,000	$ 9,925,000
#Fixed assets	17,278,000	15,017,000
Investments & other assets	2,005,000	1,761,000
Total Assets	$ 29,586,000	$ 26,703,000

Liabilities
(000's)

Taxes	$ 2,412,000	$ 2,369,000
Loans payable	773,000	591,000
Accts. payable	872,000	721,000
Compens. & benefits	1,556,000	1,404,000
Deferred income	389,000	305,000
Other accruals	1,318,000	1,136,000
Curr. Liabilities	$ 7,320,000	$ 6,526,000
Long-term debt	2,669,000	2,099,000
Deferred invest. tax credit	252,000	182,000
Reserves	1,184,000	1,443,000
+Common stock	4,389,000	3,992,000
Retained earnings	13,772,000	12,491,000
Treasury stock	—	(30,000)
Total Liabilities & Shareholders' Equity	$ 29,586,000	$ 26,703,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales, Services & Rentals	20.60	22.50
%Net Income to Sales Services & Rentals	11.38	13.59
%Net Income to Equity	18.21	21.65
Working Capital	$ 2,983,000,000	$ 3,399,000,000
Current Ratio	1.41	1.52
Shareholders' Equity	$18,161,000,000	$16,453,000,000

International Controls Corp.

P.O. Box 3010
5499 North Federal Highway
Boca Raton, Florida 33432
(305) 997-7400

Officers: William H. Burgess, chairman; John Mosler, vice chairman; Elmer A. Sticco, president & chief executive officer; Jay H. Harris, exec. v.p. & chief operating officer; George L. Hebert, v.p. & treasurer; William C. Ragals, Jr., v.p.-(legal) & secretary; Michael R. Rossi, Thomas W. Horan, controller.

Directors: Charles S. Desmond, Bernard Fein, H. Struve Hensel, John Mosler, William H. Burgess, Philip R. Gustlin, Jay H. Harris, Michael R. Rossi, Jr., Elmer A. Sticco.

Subsidiaries:

All American Industries, Inc.
Boca Raton, Florida

Develops and manufactues electromechanical actuators and related components, precision forgings for military and civilian aircraft, bomb bodies and missile motor casings, and aircraft arresting gear. Also manufactures high voltage transmission towers.

All American Engineering Company
Bafab-Safeland Ltd.
Anchor Metals, Inc.
Intercontinental Manufacturing Company, Inc.
AAI International Ltd.

Datron Systems, Inc.
Boca Raton, Florida

Produces microwave components for communications and military uses; electro-mechanical relays used in communication, weapons, and radar. Manufactures special electric motors and motor generator sets for the military and business, and an energy conserving steam trap.

Nicholson Division
EEMCO Division
Electronic Specialty Division
Elektro-Metall Export GmbH
Tech Systems Corp.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): American, Pacific

Ticker Symbol: INC

Number of Employees:

1981	2,100	1978	1,877
1980	2,100	1977	1,673
1979	2,000		

Plant Footage:

1981 . . . . . . 1,337,000 sq. ft.
1980 1,329,000

Sales and Earnings

	Net Sales †	Net Income ‡
1981	$ 137,502,000	$ 7,833,000
1980	117,907,201	12,609,719
1979	89,256,135	4,580,350
1978	79,585,254	5,976,984
1977	75,483,047	(5,387,807)

	No. of Com. Shares #	Earn. per Share ‡
1981	3,760,087	$ 2.08
1980	4,876,766	2.58
1979	4,937,555	0.93
1978	4,913,344	1.22
1977	4,805,283	—

(Loss)

† Of continuing operations only.

‡ Including extraordinary loss of $8,163,868 in 1977 and extraordinary gains of $5,423,987 ($1.11 per share) in 1980, $399,750 ($0.08 per share) in 1979, $2,254,000 ($0.46 per share) in 1978.

# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Aerospace:		
Electro-mec. components	$ 20,411	$ 23,822
Bomb bodies	24,319	6,942
Missile motor casing	5,114	4,705
Forgings	7,703	7,366
Arresting gear	11,443	12,376
Electrical/electronics:		
Relays	8,631	7,433
Microwave waveguide & components	17,355	14,582
Power conversion products	6,128	6,279
Energy-related:		
Steam traps	5,011	4,421
Transmission	25,338	26,120
Other	6,049	3,861
Total	$ 137,502	$ 117,907

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	—	—	5-for-4†

† Authorized Jan., 1981

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 38,528,000	$ 10.26
1980	30,875,273	8.26
1979	23,974,660	4.85
1978	19,492,565	3.96
1977	13,454,761	2.76

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 137,502,000	$ 117,907,201
Cost of sales	106,481,000	88,540,054
Expenses	14,293,000	14,017,449
Interest expense	123,000	837,693
Other charges (income)	(82,000)	(163,584)
Income before taxes	$ 16,523,000	$ 14,675,589
Income taxes	7,880,000	6,808,000
Minority interest	810,000	681,857
Net Income	$ 7,833,000	$ 7,185,732
Extraord. gain	—	5,423,987
Net Income & extraord. gain	$ 7,833,000	$ 12,609,719

* Included in Costs and Expenses, Depreciation and Amortization: $2,577,000 in 1981 and $2,489,776 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 9,156,000	$ 8,309,124
Accts. & notes receiv., net	15,367,000	14,788,461
* Inventories	29,596,000	26,110,786
Deferred inc. taxes	846,000	1,168,630
Prepaid expenses	1,347,000	1,329,947
Current Assets	$ 56,312,000	$ 51,706,948
Time deposit	2,475,000	2,475,000
# Fixed assets	17,241,000	17,269,821
Other assets	985,000	1,491,923
Invested funds— restr. for plant construc.	—	455,196
Debt issue	143,000	171,972
Intangibles	7,210,000	7,239,454
Total Assets	$ 84,366,000	$ 80,810,314

Liabilities

	1981	1980
Notes payable	$ 2,475,000	$ —
Long-term debt, curr.	695,000	2,645,223
Lease payments, curr.	136,000	145,401
Accts. payable	6,974,000	6,343,111
Accruals	6,766,000	7,294,879
Income taxes	7,615,000	8,840,631
Curr. Liabilities	$ 24,661,000	$ 25,269,245
Long-term debt	13,649,000	17,239,538
Lease payments	1,510,000	1,745,397
Minority interest	4,189,000	3,375,360
Deferred income	1,829,000	2,305,501
+ Common stock	378,000	373,913
Add. paid-in capital	34,393,000	33,718,011
Retained earnings (deficit)	4,241,000	(3,216,651)
Treasury stock (loss)	(484,000)	—
Total Liabilities & Shareholders' Equity	$ 84,366,000	$ 80,810,314

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.01	12.45
%Net Income to Sales	5.69	6.09
%Net Income to Equity	20.33	23.27
Sales to Inventories	4.64	4.52
Working Capital	$31,651,000	$26,437,703
Current Ratio	2.28	2.05
Shareholders' Equity	$38,528,000	$30,875,273

International Rectifier Corporation

9220 Sunset Boulevard
Los Angeles, California 90069
(213) 278-3100

Officers: Eric Lidow, president and chairman of the board; Leon Lidow, senior v.p.; Melvin Hochberg, exec.v.p.-pharmaceuticals; Robert J. Mueller, exec.v.p.-world marketing & foreign operations; Gerald A. Koris, v.p., secretary and general counsel; George H. Krause, v.p.-finance & treasurer.

Directors: Eric Lidow, Leon Lidow, Warren B. Hayes, Trude C. Taylor, George Krsek.

Areas of Work: Manufactures rectifiers, semiconductor devices, metal oxide semiconductor power transistors (MOSFETs), controls, sub-assemblies and closed loop systems, instrumentation for monitoring and controlling hydraulic systems, metallurgical alloys, and ethical pharmaceutical drugs.

Divisions and Subsidiaries:

Semiconductor Division
233 Kansas Street
El Segundo, California 90245
(213) 772-2000

Crydom Solid State Relays
1521 Grand Avenue
El Segundo, California 90245
(213) 322-4987

Industrial Measurements & Controls Division
451 West Covina Blvd.
San Dimas, California 91773
(714) 599-1204

Foreign Associate Companies and Subsidiaries:

International Rectifier Corporation Italiana S.p.A.
Via Privata Liguria 49
10071 Borgaro, Turin, Italy

International Rectifier GmbH
Savignystrasse 55
6 Frankfurt/Main 1, West Germany

International Rectifier Corporation (Japan) Limited
(29% owned)
Daiei Building, 23-7, Shinjuku 3-Chome
Shinjuku-Ku, Tokyo 160, Japan

International Rectifier Company (Great Britain) Limited
Hurst Green, Oxted
Surrey, England

International Rectifier Canada Limited
101 Bentley Street
Markham, Ontario, Canada L3R 3L1
(416) 495-1897

B.V. Diode, Laboratorium voor Electronentechniek
Hollantlaan 22
Utrecht, The Netherlands

Ruttonsha-International Rectifier Private Ltd.
(34% owned)
International House, Bombay-Agra Road
Vikhroli, Bombay 83, India

International Rectifier Corporation

Rectificadores Internacionales, S.A.
Durazno #30, Centro Industrial, Los Olivos, La Mesa de Tijuana
Baja, California, Mexico

Transfer Agent(s):

Security Pacific National Bank
333 South Hope Street
Los Angeles, California 90071

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Pacific

Ticker Symbol: IRF

Sales and Earnings

	Net Sales	Net Income‡ +
1981	$ 126,230,000	$ 3,432,000
1980	136,623,000	5,509,000
1979	110,486,000	6,141,000
1978	89,080,000	3,351,000
1977*	76,198,000	909,391

	No. of Com. Shares	Earn. per Share #
1981	2,778,205	$ 1.23
1980	2,756,751	2.01
1979	2,627,431	2.31
1978	2,612,166	1.28
1977	2,578,111	0.35

‡ Including extraordinary gains of $168,008 ($0.06 per share) in 1977 and extraordinary losses of $3,310,000 ($1.21 per share) in 1980 and $189,000 ($0.07 per share) in 1978.

# Based on weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Semiconductors	$ 89,716,000	$ 93,026,000
Antibiotics	36,514,000	43,597,000
Total	$ 126,230,000	$ 136,623,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.32	—	—
1980	0.32	—	—
1979	0.25	—	—
1978	0.20	—	—
1977	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 46,069,000	$ 16.58
1980	43,315,000	15.71
1979	35,787,000	13.62
1978	30,207,000	11.56
1977	27,173,000	10.54

Income Account *

Year ended	6/28/81	6/29/80
Net sales	$ 126,230,000	$ 136,623,000
Cost of sales	86,187,000	90,287,000
Expenses	31,595,000	30,409,000
Interest expense	4,902,000	3,887,000
Other income	(282,000)	(512,000)
Income before taxes	$ 3,828,000	$ 12,552,000
Income taxes	601,000	4,233,000
Income from continuing operations	$ 3,227,000	$ 8,319,000
Income from discontinued operations	205,000	500,000
Income before extraordinary item	$ 3,432,000	$ 8,819,000
Extraordinary item	—	(3,310,000)
Net Income	$ 3,432,000	$ 5,509,000

Assets

As of	6/28/81	6/29/80
Cash	$ 1,924,000	$ 1,959,000
Marketable securities	1,000,000	2,500,000
Accts. receiv., net	28,292,000	31,044,000
Income tax refund receivable	5,543,000	—
*Inventories	42,470,000	42,949,000
Deferred taxes	2,662,000	5,235,000
Prepaid expenses	1,108,000	1,423,000
Current Assets	$ 82,999,000	$ 85,110,000
Trade accts. receiv.	2,766,000	2,514,000
Investments	841,000	944,000
#Fixed assets	39,177,000	32,734,000
Total Assets	$ 125,783,000	$ 121,302,000

Liabilities

Bank loans & long-term debt, curr.	$ 10,642,000	$ 11,600,000
Accts. payable	9,290,000	12,308,000
Accruals	4,622,000	5,583,000
Accrued payroll	2,940,000	3,354,000
Income taxes	2,083,000	835,000
Interest expense	3,609,000	3,952,000
Litigation award	3,429,000	6,875,000
Curr. Liabilities	$ 36,615,000	$ 44,507,000
Long-term debt	37,581,000	29,104,000
Deferred credits	4,368,000	3,314,000
Other liab.	1,150,000	1,062,000
+Common stock	2,980,000	2,959,000
Add. paid-in capital	10,715,000	10,530,000
Retained earnings	32,374,000	29,826,000
Total Liabilities & Shareholders' Equity	$ 125,783,000	$ 121,302,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	3.03	9.19
%Net Income to Sales	2.72	4.03
%Net Income to Equity	7.45	12.73
Sales to Inventories	2.97	3.18
Working Capital	$46,384,000	$40,603,000
Current Ratio	2.27	1.91
Shareholders' Equity	$46,069,000	$43,315,000

International Systcoms Ltd.

4900 Fisher
Montreal, Quebec H4T 1J6
Canada
(514) 735-6441

Officers: Quentin R. Ball, chairman of the board; Lionel P. Hurtubise, president; F. Vincent Regan, secretary-treasurer; Adam J. Bardach, gen. mgr. - Memotec Division; Robert J.Dargent, v.p.; David A. Frye, v.p. - Systcoms Inc. Technology; Roger Lague, v.p. - finance; Robert Me, Joseph A. Sebastyan, executive v.p.'s.

Directors: Quentin R. Ball, chairman; Eric E. Baker, John Goldberg, Lionel P. Hurtubise, Stephen J. Kauser, F. Vincent Regan, Norman W. Simons.

Areas of Work: Designs, manufactures and markets mobile radio-telephone and data communications products for packet switching networks.

Divisions and Subsidiaries:

Radio Communications Division
Memotec Division
4900 Fisher
Montreal, Quebec H4t 1J6
Canada

Systcoms Inc.
1441 Dunwoody Village Parkway
Atlanta, Georgia 30338
(404) 396-2010

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec
Toronto, Ontario
Canada

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income †
1981	$ 13,224,738	$ (5,999,607)
1980	15,324,658	318,971

	No. of Com. Shares	Earn. per Share †
1981	17,896,126	$ —
1980	17,896,126	0.02

(Loss)
† Including extraordinary loss of $3,196,725 in 1981.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ (141,347)	$ —
1980	5,858,260	0.33

(Deficiency).

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 13,224,738	$ 15,324,658
Cost of sales	8,876,687	10,279,938
Expenses	3,857,346	3,156,809
Depreciation & amortization	393,054	332,869
Amort. of goodwill	63,014	63,014
Interest expense	764,598	469,749
Income (loss) from cont. oper.	$ (729,961)	$ 1,022,279
Loss from discont. oper.	(2,072,921)	(703,308)
Net Income (Loss)	$ (2,802,882)	$ 318,971
Extraord. loss	(3,196,725)	—
Net Income (Loss) & extraord. loss	$ (5,999,607)	$ 318,971

* Included in Costs and Expenses, Depreciation and Amortization: $1,301,671 in 1981 and $938,098 in 1980.

Assets

As of Dec. 31	1981	1980
Accts. receiv., net	$ 5,130,316	$ 4,056,770
*Inventories	3,432,413	3,992,920
Prepaid expenses	83,280	78,967
Current Assets	$ 8,646,009	$ 8,128,657
Investments	3	3
#Fixed assets	1,018,205	1,488,764
Other assets	1,728,059	5,650,575
Total Assets	$ 11,392,276	$ 15,267,999

Liabilities

Bank indebtednss	$ 1,473,139	$ 2,471,989
Long-term debt, curr.	314,664	864,498
Accts. payable & accruals	2,817,831	2,886,577
Curr. Liabilities	$ 4,605,634	$ 6,223,064
Long-term debt	6,927,989	3,186,675
+Common stock	9,300,384	9,300,384
Deficit	(9,441,731)	(3,442,124)
Total Liabilities & Shareholders' Equity	$ 11,392,276	$ 15,267,999

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.67
%Net Income to Sales	—	2.08
%Net Income to Equity	—	5.44
Sales to Inventories	3.85	3.84
Working Capital	$4,040,375	$1,905,593
Current Ratio	1.88	1.31
Shareholders' Equity (Deficiency)	$ (141,347)	$5,858,260

International Telephone and Telegraph Corporation

320 Park Avenue
New York, New York 10022
(212) 752-6000

Officers: Rand V. Araskog, chairman, president & chief executive officer; Richard E. Bennett, sr. executive v.p.; James V. Lester, sr. executive v.p.; Herbert C. Knortz, exec. v.p. & comptroller; Frederick W. Gibbs, exec. v.p. & sr. group exec., Telecommunications; John W. Guilfoyle, exec. v.p. & pres., ITT Europe, Inc.; M. Cabell Woodward, Jr., exec. v.p. & chief financial officer; Howard J. Aibel, senior vice president and general counsel; Charles E. Anderson, sr. v.p. & group exec., Natural Resources; Gerard L. Seelig, exec. v.p. & sr. group exec.-Engineered Products; Edward J. Gerrity, Jr., sr. v.p.-administration; Robert H. Smith, sr. v.p.-corporate development & economics; Robert J. Braverman, sr. v.p. & group exec.-communications operations & information sevices; Albert E. Cookson, sr. v.p. & chief scientist; John J. Chluski, sr. v.p. & exec. representative; Steward S. Flaschen, sr. v.p. & general technical director; Robert E. Laws, sr. v.p. & group exec.-financial services; John J. Navin, v.p. & secretary.

Directors: Richard E. Bennett, Bette B. Anderson*, Richard S. Perkins*, Margita E. White*, M. Cabell Woodward, Jr., William Elfers*, Harold S. Geneen*, J. Patrick Lannan*, James V. Lester, Alvin E. Friedman*, Herbert C. Knortz, Rand V. Araskog*, Thomas W. Keesee, Jr.*, Terry Sanford*, Michel David-Weill.
*Member of Executive Committee.

Areas of Work: International Telephone and Telegraph Corporation is a diversified company active in more than 80 countries with a wide range of manufacturing and service operations. It is an important supplier of telecommunication equipment, industrial products, natural resource materials, automotive components, consumer products, food products and aerospace systems. Major service areas include insurance, business and financial services, hotels-motor inns, and international communications.

Transfer Agent(s):

International Telephone and Telegraph Corporation
(common & preferred stock)
320 Park Avenue
New York, New York 10022

Dresdner Bank AG
Frankfurt-am-Main, Germany

Stock Exchange(s): New York, Pacific, Toronto, Antwerp, Basel, Berne, Brussels, Geneva, Frankfurt, Lausanne, London, Paris, Tokyo, Vienna, Zurich.

Ticker Symbol: ITT

Number of Employees:

1981	324,000	1978	379,000
1980	348,000	1977	375,000
1979	369,000		

Sales and Earnings ‡

	Net Sales + (000's)	Net Income # (000's)
1981	$ 23,197,000	$ 676,804
1980	23,821,000	755,353
1979	22,061,000	301,587
1978	19,452,000	568,000
1977	16,769,000	577,000

	No. of Com. Shares	Earn. per Share #†
1981	130,000,000	$ 4.58
1980	122,000,000	5.16
1979	116,000,000	1.98
1978	112,000,000	3.96
1977	104,000,000	4.07

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translations.
+ Includes other revenues and revenues from Insurance and Finance Subsidiaries.
# Including extraordinary losses of $17,841,000 ($0.12 per share) in 1981 and $11,627,000 ($0.08 per share) in 1977.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Telecommunications & electronics:				
Telecommunications equip.	5,480	24%	6,041	25%
Telecommunications oper.	370	2	331	1
Defense & avionics systems	839	4	780	3
Engineered prods.:				
Automotive prods.	1,612	7	1,749	7
Industrial prods.	3,020	13	3,063	13
Components & semiconductors	1,179	5	1,391	6
Consumer prods. & services:				
Food prods.	1,739	7	1,816	8
Consumer appliances	711	3	772	3
Hotels & other	1,238	5	1,210	5
Natural resources:				
Timber & earth	738	3	1,057	5
Energy	380	2	320	1
Insurance & finance:				
Casualty & life insurance	5,076	22	4,632	20
Finance	815	3	659	3
Total	23,197	100%	23,821	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.62	—	—
1980	2.45	—	—
1979	2.25	—	—
1978	2.05	—	—
1977	1.82	—	—

Common Stock Equity ‡

	Total Equity +	Equity Per Share
1981	$ 5,088,080,000	$ 39.08
1980	4,900,286,000	39.93

‡ Restated.
+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Sales & revenues	$ 17,306,189	$ 18,529,655
Cost of sales & services	13,420,760	14,472,933
Expenses	2,697,959	2,802,581
Eq. in earn. of Insur. & Fin. subsid.	(386,780)	(365,694)
Gain on sale - Can. timber	—	(87,000)
Dividends & other income	(101,627)	(80,193)
Interest expense	779,854	685,985
Other expense (income)	(94,238)	8,275
Income before taxes	$ 990,261	$ 1,092,509
Income taxes	269,183	305,539
Minority stock. eq. in net inc.	26,433	31,617
Net Income	$ 694,645	$ 755,353
Extraord. loss	(17,841)	—
Net Income & extraord. loss	$ 676,804	$ 755,353

* Included in Costs and Expenses, Depreciation: $508,344,000 in 1981 and $529,859,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 143,087	$ 174,519
Accts. receiv., net	2,527,711	2,759,043
* Inventories	3,168,090	3,478,822
Other curr. assets	271,535	263,392
Current Assets	$ 6,110,423	$ 6,675,776
Investments, deferred receiv. & other assets	3,591,867	3,464,555
# Fixed assets	5,350,087	5,416,353
Total Assets	$ 15,052,377	$ 15,556,684

Liabilities
(000's)

Loans & long-term debt. curr.	$ 1,011,340	$ 1,398,545
Accts.payable	1,352,848	1,550,747
Accrued payroll	498,139	480,024
Accrued taxes	352,772	386,065
Other liab.	914,232	915,771
Curr. Liabilities	$ 4,129,331	$ 4,731,152
Long-term debt	3,335,637	2,846,844
Reserves & deferred liabilities	881,788	962,901
Minority interest	192,090	208,965
Deferred inc. taxes	397,301	495,536
+ Preferred stock	497,303	696,860
+ + Common stock	130,200	122,340
Add. paid-in capital	1,003,945	794,651
Retained earnings	4,618,416	4,324,749
Unrealized gain (loss)	(9,826)	38,291
Cum. trans. adjust.	(123,808)	370,395
Total Liabilities & Shareholders' Equity	$ 15,052,377	$ 15,556,684

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	5.72	5.90
%Net Income to Sales & Revenues	4.01	4.08
%Net Income to Equity	11.36	11.90
Working Capital	$1,981,092,000	$1,944,624,000
Current Ratio	1.48	1.41
Shareholders' Equity	$6,116,230,000	$6,347,286,000

Interscience Systems, Inc.

8435 Canoga Avenue
Canoga Park, California 91304
(213) 709-7711

Officers: Sam Volpentest, chairman of the board & secretary; James W. Halverson, president, treasurer & asst. secretary.

Interscience Systems, Inc.

Directors: Sam Volpentest, chairman; James W. Halverson, Bjorn Lih.

Areas of Work: Develops, manufactures, sells, leases and services disk and tape memory systems for the Univac plug-compatible market.

Subsidiaries:

Summit Systems, Inc. (44% owned)
Develops microprocessor-driven gaming devices known as the Summit "AUTOSLOT". This device is a microprocessor combined with related proprietary hardware and electronics which, when installed in a standard electromechanical slot machine, provides a casino operation greater security from cheaters, less maintenance, and a total accounting of all transactions.

Bio-Optronics, Inc.
Sells electronic equipment and patient monitoring devices.

Nevada Gaming Schools
Provides training for coin operated gaming devices.

Summit Publications (80% owned)
Publications house, primarily for the gaming industry.

Dale Associates, Inc.
Research and development of video amusement and gaming devices.

Game Plan, Inc.
Manufacturer of slot machines and video and mechanical amusement devices.

Transfer Agent(s):

U.S. Stock Transfer Corporation
8383 Wilshire Blvd., Ste. 360
Beverly Hills, California 90211

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	172	1980	184

Plant Footage:

1980 . . . . . . 20,000 sq. ft.

Sales and Earnings

	Net Revenues	Net Income ‡
1981	$ 6,021,000	$ (4,461,000)
1980	3,978,000	(2,953,000)
1979	5,356,000	440,000
1978	2,598,000	1,049,000
1977	2,427,000	91,000

	No. of Com. Shares †	Earn. Per Share ‡†
1981	1,265,000	$ -
1980	1,057,230	—
1979	986,546	0.43
1978	911,398	1.15
1977	851,653	0.11

(Loss)
‡ Including extraordinary gains of $138,000 ($0.14 per share) in 1979, $939,000 ($1.03 per share) in 1978, and $240,000 ($0.28 per share) in 1977.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	5-for-1

Income Account *

Year ended March 31	1981	1980
Net revenues	$ 6,020,805	$ 3,978,163
Cost of sales	4,853,896	3,270,592
New prod. develop.	375,932	587,900
Expenses	1,674,095	1,432,946
Interest expense	987,391	629,155
Net Loss	$ (4,461,373)	$ (2,953,325)

* Included in Costs and Expenses, Depreciation and Amortization: $609,215 in 1981 and $483,243 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 529,700	$ 381,421
Accts. receiv., net	1,661,558	702,951
*Inventories	2,989,539	2,853,073
Prepaid expenses	8,495	56,129
Current Assets	$ 5,189,292	$ 3,993,574
#Fixed assets	3,096,868	2,450,904
Other assets	1,851,324	1,182,342
Total Assets	$ 11,910,849	$ 7,626,820

Liabilities

	1981	1980
Long-term debt	$ 1,625,997	$ 647,311
Accts. payable	2,308,493	1,617,124
Accruals	1,339,328	396,550
Curr. Liabilities	$ 5,273,818	$ 2,660,985
Long-term debt	6,893,721	5,492,304
Deferred development funds	444,000	523,000
Deferred income	246,204	153,191
Deferred inc. taxes	39,176	38,000
+ Preferred stock	—	240,000
+ + Common stock	116,170	96,920
Common stock warrants	30,000	30,000
Add. paid-in capital	7,612,092	2,675,379
Deficit	(8,744,332)	(4,282,959)
Total Liabilities & Shareholders' Equity	$ 11,910,849	$ 7,626,820

* At lower of weighted average cost or market.
# Less accumulated amortization and depreciation.
+ No par value.
+ + No par value.

Statistical Summary

	1981	1980
Sales to Inventories	2.01	1.39
Working Capital	$ 84,526	$ 1,332,589
Current Ratio	0.98	1.50
Shareholders' Equity (deficiency)	$(986,070)	$(1,240,660)

Ionics, Incorporated

65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500

P.O. Box 99
Bridgeville, Pennsylvania 15017
(412) 343-1040

Officers: Averell E. Daniell, chairman of the board; Arthur L. Goldstein, president; Theodore G. Papastavros, Thomas A. Kirkham, Carl J. McCardy, Wayne A. McRae, Edward M. Guild, Walter J. Polens, Herman A. Zenk, William E. Katz, vice presidents; James S. Parkhill, v.p. & treasurer; Robert B. Luick, clerk.

Directors: Thomas A. Kirkham, William E. Katz, Arnaud de Vitry d'Avaucourt, Averell E. Daniell*, Charles J. Coulter*, Arthur L. Goldstein*, Robert B. Luick, Wayne A. McRae, Carl J. McCardy, Charles F. Chapin, Samuel A. Goldblith, Thomas J. White.

* Member of Executive Committee.

Areas of Work: The principal business of the company involves the sale of four groups of products: membrane cells and other separations products; energy related and other fabricated products; instruments and medical products; and water processing systems. Membrane cells and other separations products include: membrane-type hypochlorinators, electrochemical cells for air and liquid waste recycle and recovery; electrochemical cells for manufacture of caustic and chlorine; membranes for medical diagnostics. Energy related products include: water treatment equipment and related equipment, auxiliaries for nuclear and fossil-fuel power plants, heat recovery systems and fired heaters. The instruments include water quality monitors, microprocessor controlled analyzers, oxygen demand and carbon monitors, process titrators, and membranes for diagnostics and other medical applications. Water processing systems include water systems and products for desalting, conditioning and cleaning.

Divisions and Subsidiaries:

Watertown Division
65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500
Manufacture and sale of water desalination equipment, pollution monitoring instruments, food and chemical processing equipment; research and development activities in electrochemistry and pollution control.

Bridgeville Division
P.O. Box 99
Bridgeville, Pennsylvania 15017
(412) 343-1040
Manufacture and sale of water softening and conditioning equipment, custom-fabricated components for the nuclear, food and chemical industries, and custom-designed air recovery and heat transfer systems; financing activities related to sales of domestic water softening equipment.

General Ionics, Inc.
4178 Market Street
Youngstown, Ohio 44512
Home water softener dealership.

Yuasa-Ionics Co. Ltd. (50% owned)
No. 12-11, 2-chome
Higashi-Shinbashi
Minato-ku, Tokyo 105, Japan
Supplies pollution abatement products in Japan and the Far East.

Ionics DISC, Inc.
Watertown, Massachusetts

Italba, S.p.A. (49% owned)
Via Mauro Macchi 26
20124 Milan, Italy
Design and construction of water and waste treatment plants in Europe.

Watlington-Waterworks Limited (23% owned)
P.O. Box 630
Hamilton, Bermuda

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: ION

Sales and Earnings

	Revenues	Net Income
1981	$ 53,751,000	$ 2,000,000
1980	44,527,000	1,828,000
1979	43,370,000	2,229,477
1978	33,421,000	1,860,271
1977	29,132,000	1,555,248

	No. of Com. Shares †	Earn. per Share ‡
1981	1,977,023	$ 1.02
1980	1,883,738	0.95
1979	1,868,626	1.18
1978	1,793,650	1.00
1977	1,766,376	0.85

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1980	1979
Water processing system	$ 33,181,000	$ 28,273,000
Other membrane cell prods.	9,101,000	6,172,000

Energy-related & other fabricated prod.	6,864,000	5,975,000
Instruments & medical prod.	3,605,000	3,297,000
Other	1,000,000	801,000
Total	$ 53,751,000	$ 44,527,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1 +

+ Effective Mar., 1981.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 21,104,000	$ 10.67
1980	18,381,000	9.76
1979	16,389,447	8.77

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net revenues	$ 53,751,000	$ 44,527,000
Cost of sales	35,055,000	28,141,000
Expenses	13,015,000	11,267,000
Research exp.	2,290,000	2,119,000
Interest expense	208,000	75,000
Equity income	(414,000)	(460,000)
Income before taxes	$ 3,597,000	$ 3,385,000
Income taxes	1,597,000	1,557,000
Net income	$ 2,000,000	$ 1,828,000

* Included in Costs and Expenses, Depreciation: $889,000 in 1981 and $816,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 598,000	$ 336,000
Comm. paper	100,000	600,000
Notes receiv.	1,953,000	1,528,000
Accts. receiv., net	17,806,000	13,447,000
Other receiv.	62,000	233,000
Refundable taxes	257,000	494,000
* Inventories	10,733,000	10,787,000
Other assets	233,000	330,000
Current Assets	$ 31,742	$ 27,755,000
Investments	1,584,000	1,272,000
Notes receiv.	4,959,000	3,551,000
# Fixed assets	7,870,000	6,668,000
Total Assets	$ 46,155,000	$ 39,246,000

Liabilities

Long-term debt, curr.	$ 3,415,000	$ 24,000
Accts. payable	2,785,000	3,348,000
Accruals	3,080,000	2,705,000
Customer deposits	1,419,000	1,905,000
Income taxes	8,172,000	7,179,000
Curr. Liabilities	$ 18,871,000	$ 15,161,000
Long-term debt	2,967,000	3,005,000
Deferred inc. taxes	3,213,000	2,699,000
+ Common stock	1,977,000	1,884,000
Add. paid-in capital	4,796,000	4,166,000
Retained earnings	14,331,000	12,331,000
Total Liabilities & Shareholders' Equity	$ 46,155,000	$ 39,246,000

* At lower of cost (FIFO or standard cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Revenues	6.69	7.60
%Net Income to Revenues	3.72	4.11
%Net Income to Equity	9.48	9.95
Working Capital	$12,871,000	$12,594,000
Current Ratio	1.68	1.83
Shareholders' Equity	$21,104,000	$18,381,000

IPM Technology, Inc.

6851 West Imperial Highway
Los Angeles, California 90045
(213) 646-2994

Officers: Seymour Kahn, president; Robert S. Goldstein, exec. v.p.; Norman Jacobs, secretary & treasurer.

Directors: Norman Jacobs, Seymour Kahn, Robert S. Goldstein.

Areas of Work: Primarily involved in electronic manufacturing and aircraft servicing. Electronic products include resistors, fusing devices, circuit breakers and audio accessories.

Divisions and Subsidiaries:

Workman Electronic Products, Inc.
Post Office Box 3828
Sarasota, Florida 33578
(813) 955-4242

Manufactures and markets a wide variety of electronic components; also fabricates plastic and fibre insulators through its division, the Electrical Insulation Company.

Mercury Service, Inc.
6851 West Imperial Highway
Los Angeles, California 90045
(213) 646-2994

Complete aircraft servicing.

Mercury Refueling, Inc.
Refuels commercial and military aircraft.

Crew Transit, Inc.
Provides transportation for airline crews.

Madison and Wall, Inc.
36 West 40th Street
New York, New York 10018
(212) 239-6570

In the business of financing equipment for the company's subsidiaries.

Electrical Precision Meter Corporation (53% owned)

Manufactures components for instruments such as altimeters and other gauges.

Transfer Agent(s):

American Stock Transfer Company
15 William Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: IPMT(NASDAQ)

Sales and Earnings

	Net Sales	Net Income #
1981	$ 33,136,461	$ 1,489,496
1980	23,041,894	1,353,444
1979	6,605,265	426,529
1978	4,331,096	147,930
1977	5,110,807	306,943

	No. of Com. Shares +	Earn. per Share #†
1981	1,371,547	$ 1.09
1980	1,381,262	0.98
1979	1,510,446	0.28
1978	1,703,520	0.08
1977	1,877,04[illegible]	0.16

Including extraordinary credits of $54,595 ($0.07 per share) in 1978, $140,361 ($0.15 per share) in 1977.
+ Adjusted to reflect stock split.
† Based on average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	3-for-2†

† Declared July, 1980.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,648,874	$ 7.04
1980	3,765,798	2.73
1979	2,571,576	1.70
1978	2,087,319	1.23
1977	2,054,098	1.09

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 33,136,461	$ 23,041,894
Other income	11,042,382	7,666,028
Total Income	$ 44,178,843	$ 30,707,922
Cost of sales	37,754,442	25,962,565
Expenses	3,509,516	2,137,509
Other income	118,372	(27,419)
Interest expense	379,003	134,721
Minority interest (credit)	11,858	(4,298)
Income before taxes	$ 2,642,396	$ 2,504,844
Income taxes	1,152,900	1,151,400
Net Income	$ 1,489,496	$ 1,353,444

* Included in Costs and Expenses, Depreciation and Amortization: $794,580 in 1981 $444,507 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 3,032,738	$ 1,289,531
Accts. receiv., net	5,579,324	3,296,813
*Inventories	2,539,375	1,254,764
Marketable securities	432,027	—
Prepaid expenses	303,510	115,425
Current Assets	$ 11,886,974	$ 5,956,533
#Fixed assets	8,470,041	3,637,920
Other assets	1,142,941	873,788
Total Assets	$ 21,499,956	$ 10,468,241

Liabilities

Notes payable	$ 702,948	$ —
Long-term debt, curr.	947,752	420,896
Accts. payable	2,918,658	1,971,869
Accruals	668,733	352,884
Accrued payroll	522,444	512,858
Other taxes	447,895	289,261
Income taxes	34,481	1,010,557
Curr. Liabilities	$ 6,242,911	$ 4,558,325
Long-term debt	5,130,941	1,958,196
Minority interest	144,420	9,512
Deferred inc. taxes	332,810	176,410
+ Common stock	990,270	867,852
Add. paid-in capital	6,553,322	2,365,761
Retained earnings	2,916,930	1,427,434
Treasury stock	(811,648)	(877,249)
Notes receiv., arising from restrict. stock op. plan	—	(18,000)
Total Liabilities & Shareholders' Equity	$ 21,499,956	$ 10,468,241

IPM Technology, Inc.

* At lower of cost (FIFO) or market (replacement cost or est. net realizable amt.)
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.97	10.87
%Net Income to Sales	4.50	5.87
%Net Income to Equity	15.44	35.94
Sales to Inventories	13.05	18.36
Working Capital	$5,644,063	$1,398,208
Current Ratio	1.90	1.31
Shareholders' Equity	$9,648,874	$3,765,798

IRT Corporation

7650 Convoy Court
P.O. Box 80817
San Diego, California 92138
(714) 565-7171

Officers: Robert L. Mertz, president & chairman of the board; Joseph John, v.p.-Nuclear Systems Div.; W. Dennis Swift, v.p.-Electronic Systems Div.; Charles A. Preskitt, Jr., v.p.; William R. Gordon, controller & treasurer; Walter D. Bowne, secretary; Connie I. Boehm, asst. treasurer; John A. Chiment, William I. Hoese, asst. secretaries.

Directors: Robert L. Mertz*, Clifford V. Brokaw III*, Charles A. Preskitt, Jr., Stanley W. Hubbel.

*Member of Executive Committee.

Subsidiaries:

Intelcom Rad Tech
San Diego and Oxnard, California

Radiation effects research and testing services; development and manufacture of equipment for measurement of nuclear materials and non-destructive inspection. Manufactures plastic fiber optic materials and industrial products. Makes and markets specialty decorative hobby kits.

Transfer Agent(s):

Wells Fargo Bank N.A.
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	161	1979	138
1980	156		

Ticker Symbol: IRTC (NASDAQ)

Sales and Earnings

	Revenues +	Net Income
1981	$ 10,587,000	$ 238,000
1980	7,932,000	172,000
1979	6,606,000	(169,000)
1978	6,185,000	82,000
1977	5,863,000	135,000

	No. of Com. Shares ‡	Earn. per Share
1981	1,445,188	$0.16
1980	1,355,075	0.13
1979	708,503	—
1978	150,629	—
1977	130,508	—

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Defense research & nuclear instrumentation equip.	$ 10,031,000	$ 7,632,000
Linear accelerator activities	556,000	300,000
Total	$ 10,587,000	$ 7,932,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	*1-for-20

* Reverse stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,562,000	$1.08
1980	871,000	0.64
1979	240,000	0.34
1978	109,000	0.72

Income Account *

Year ended March 31	1981	1980
Revenues	$ 10,587,000	$ 7,932,000
Cost of revenues	8,790,000	6,581,000
Expenses	1,122,000	828,000
Interest expense	256,000	241,000
Other income	(29,000)	(26,000)
Income before taxes	$ 448,000	$ 308,000
Income taxes	210,000	136,000
Net Income	$ 238,000	$ 172,000

* Included in Costs and Expenses; Depreciation and Amortization: $411,000 in 1981 and $339,000 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 340,000	$ 164,000
Receiv., net	2,326,000	1,799,000
*Inventories	295,000	384,000
Real estate investment	1,031,000	704,000
Prepaid, deposits & other assets	49,000	72,000
Current assets	$ 4,041,000	$ 3,123,000
# Fixed assets	1,652,000	1,460,000
Other assets	35,000	1,000
Total Assets	$ 5,728,000	$ 4,584,000

Liabilities

Notes payable	$ 1,408,000	$ 1,320,000
Long-term debt, curr.	238,000	201,000
Accts. payable, accruals & reserves	1,807,000	1,400,000
Current portion of obligations under capital lease	32,000	6,000
State Income taxes payable	63,000	25,000
Curr. Liabilities	$ 3,548,000	$ 2,952,000
Long-term debt	501,000	740,000
Obligations under capital lease	117,000	21,000
+ Common stock	124,000	118,000
+ Class A Common stock	23,000	23,000
Add. paid-in capital	1,005,000	558,000
Retained earnings	410,000	172,000
Total Liabilities & Shareholders' Equity	$ 5,728,000	$ 4,584,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income before taxes to Revenues	4.23	3.88
%Net Income to Revenues	2.25	2.17
%Net Income to Equity	15.24	19.75
Working Capital	$ 493,000	$ 171,000
Current Ratio	1.14	1.06
Shareholders' Equity	$ 1,562,000	$ 871,000

Isomet Corporation

5263 Port Royal Road
Springfield, Virginia 22151
(703) 321-8301

Officers: Henry Zenzie, president; Jerry W. Rayburn, v.p. & treasurer; John Ciriello, v.p.-mfg.; Leon Bademian, v.p.-technical director; Lee R. Marks, secretary.

Directors: Henry Zenzie, Floyd Eberly, Thomas P. Meloy, Leon Bademian, John Ciriello, Jerry W. Rayburn.

Areas of Work: Engaged in the production of laser accessory components and opto-electronic instruments employing synthetic crystals.

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	57	1979	42
1980	42		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 4,155,289	$ 913,430
1980	3,365,360	845,613
1979	2,288,526	149,284
1978	1,468,386	(288,146)
1977	1,195,061	(181,491)

	No. of Com. Shares #	Earn. per Share ‡067
1981	1,529,592	$ 0.60
1980	1,443,540	0.59
1979	1,359,850	0.11
1978	1,306,183	—
1977	1,232,287	—

(Loss)
‡ Including extraordinary gain of $398,138 ($0.28 per share) in 1980 and $72,500 ($0.05 per share) in 1979.
# Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,460,784	$ 1.61
1980	1,442,354	1.00
1979	496,741	0.37
1978	246,327	0.19
1977	534,473	0.43

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 4,155,289	$ 3,365,360
Cost of sales	2,027,712	1,703,228
Expenses	947,456	701,523
Other income	(22,736)	(26,517)
Interest income	(151,284)	(37,908)
Interest expense	200,306	179,421
Income before taxes	$ 1,153,835	$ 845,613
Income taxes	398,580	398,138

Net Income	$ 755,255	$ 447,475
Extraord. gain	158,175	398,138
Net Income & Extraord. gain	$ 913,430	$ 845,613

* Included in Costs and Expenses, Depreciation and Amortization: $93,959 in 1981 and $77,343 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 44,087	$ 82,735
Investments	1,558,582	998,785
Accts. receiv., net	596,537	515,402
Other receiv.	803	3,493
*Inventories	757,740	563,906
Prepaid expenses	12,308	5,105
Mortgage notes	964	14,364
Due from officer	7,502	2,190
Cost & est. earnings in exc. of billing	254,067	209,526
Precious metal	177,640	151,127
Current Assets	$ 3,410,230	$ 2,546,633
#Fixed assets	789,432	417,547
Other assets	52,400	36,048
Total Assets	$ 4,252,062	$ 3,000,228

Liabilities

Notes payable	$ 633,155	$ 2,346
Accts. payable	286,076	222,920
Accruals	235,082	209,453
Advance payment on contract	11,560	—
Income taxes	226,021	—
Deferred inc. taxes	2,164	—
Curr. Liabilities	$ 1,394,058	$ 434,719
Long-term debt:		
Notes payable	350,000	983,155
Convert. subord. taxes	35,000	140,000
+Common stock	1,546,957	1,507,183
Add. paid-in capital	3,497,669	3,432,443
Deficit	(2,583,842)	(3,497,272)
Total Liabilities & Shareholders' Equity	$ 4,252,062	$ 3,000,228

* Inventories of process materials, parts and raw chemicals at lower of cost (FIFO) or market. Work in progress and finished goods at lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	27.77	25.13
%Net Income to Sales	18.18	13.30
%Net Income to Equity	30.69	31.02
Sales to Inventories	5.48	5.97
Working Capital	$2,016,172	$2,111,914
Current Ratio	2.45	5.86
Shareholders' Equity	$2,460,784	$1,442,354

Itek Corporation

10 Maguire Road
Lexington, Massachusetts 02173
(617) 276-2000

Officers: Robert P. Henderson, chairman of the board & chief executive officer; Daniel O. Anderson, exec. v.p. & pres., Itek Graphic Systems & Communications Industries; John L. Grigsby, v.p.-defense electronic operations; John R. Potter, v.p., secretary & general counsel; Charles A. Donovan, v.p. & chief financial officer; John F. Burns, treasurer.

Directors: Edwin D. Campbell, E. Raymond Corey, Daniel O. Anderson, Salvatore Macera, Franklin A. Lindsay, T.F. Walkowicz, Maurice Lazarus, Robert P. Henderson, Peter O. Crisp, W. David Dance.

Areas of Work: Engaged in the design, development and production of advanced photo-optical and electro-optical systems and components for reconnaissance and space exploration applications; products include high resolution lenses, aerial cameras, telescopes and equipment for processing, storing, retrieving, displaying and interpreting aerial and other photographs, as well as information obtained from these photographs. Designs, develops and manufactures specialized electronic systems and equipment; products include passive radar homing and warning systems, active electronic countermeasures systems, airborne recording simulation and EN systems testing equipment and instrumentation systems, reconnaissance and surveillance receivers and electro-optical equipment. Designs and manufactures training, test, simulation and evaluation and laboratory test equipment for use primarily in conjunction with electronic warfare equipment. Manufactures and distributes reprographic copy processing and phototypesetting equipment and supplies, including offset platemakers, offset duplicators, photocopying equipment, microfilm equipment and cameras/processors for the production of line and continuous tone film or paper prints.

Divisions:

Composition Systems Division
34 Cellu Drive
Nashua, New Hampshire 03060
(603) 889-1400

Optical Systems Division
10 Maguire Road
Lexington, Massachusetts 02173
(617) 276-2000

Applied Technology Division
645 Almanor Street
Sunnyvale, California 94068
(408) 732-2710

Measurement Systems Division
27 Christina Street
Newton, Massachusetts 02161
(617) 969-7300

Compotition Systems Division
355 Middlesex Avenue
Wilmington, Massachusetts 01887
(617) 933-7000

Defense Electronics Operations
645 Almanor Avenue
Sunnyvale, California 64086
(408) 732-2710

Graphic Systems Division
811 Jefferson Road
Rochester, New York 14692
(716) 475-9050

Subsidiaries:

Antekna, Inc.
625 Clyde Avenue
Mountain View, California 94043
(415) 965-0600

Itek Leasing Corporation
8 Tobey Village Office Park
Pittsford, New York 14534
(716) 385-8920

Itek Overseas, Ltd.
P.O. Box 304
Chariott House
6/12 Victoria Street
Windsor, Berks SL4 1EY
England

Itek (Japan) Co., Ltd.
Kowa Building 5
15-23, 4-Chome
Nishi Azabu
Minato-Ku
Tokyo, Japan

Itek International Corporation
10 Maguire Road
Lexington, Massachusetts 02173
(617) 276-2000

Itek Export Corporation
10 Maguire Road
Lexington, Massachusetts 02173

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific

Ticker Symbol: ITK

Number of Employees:

1981	4,710	1978	6,282
1980	6,402	1977	5,994
1979	6,770		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 311,648,000	$ 3,905,000
1980†	295,218,000	7,889,000
1979	251,322,000	6,785,000
1978	183,729,000	5,264,000
1977	143,472,000	3,145,000

	No. of Com. Shares	Earn. per Share #‡
1981	4,036,346	$ 0.96
1980†	3,986,119	1.96
1979	3,937,881	1.70
1978	3,515,880	1.44
1977	3,090,730	0.92

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
+ Includes contract revenues; of continuing operations only.
‡ Including extraordinary tax credit $541,000 ($0.16 per share) in 1977.
# Based on average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Elec. & optical indust.:		
Defense elec.	$ 90,000	$ 82,900
Optical sept.	38,400	41,300
Graphic syst. & communication		
Industry graphics	184,600	173,600
Interseg. eliminations	(1,400)	(2,600)
Total	$ 311,600	$ 295,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.30	—	—
1980	0.15	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 81,113,000	$ 20.10
1980	118,925,000	29.84
1979	110,183,000	27.98
1978	101,730,000	28.93
1977	85,103,000	27.53

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales & contract rev.	$ 311,648	$ 295,218
Cost of sales	205,854	190,146
Expenses	90,367	84,144
Other expense (income)	1,618	(339)
Income from finance subs.	(1,860)	(1,007)
Interest expense	7,811	7,551

Income before taxes	$ 7,858	$ 14,753
Income taxes	1,830	5,480
Income fr. cont. oper.	$ 6,028	$ 9,273
Loss fr. discont. oper.	(2,123)	(1,384)
Net Income	$ 3,905	$ 7,889

* Included in Costs and Expenses, Depreciation and Amortization: $8,474,000 in 1981 and $7,796,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 2,310	$ 3,433
Accts. receiv., net	69,855	74,750
*Inventories	79,584	67,394
Prepaid expenses	2,789	4,414
Current Assets	$ 154,538	$ 149,991
Investments	10,630	8,457
#Fixed assets	43,069	38,590
Other assets	5,968	3,062
Assets of discont. oper.	—	45,685
Total Assets	$ 214,205	$ 245,785

Liabilities

Bank loans payable	$ 15,222	$ 14,887
Long-term debt, curr.	2,989	3,404
Accts. payable	29,389	27,636
Advances	6,464	4,885
Accruals	8,481	6,807
Accrued payroll	5,539	6,024
Income taxes	3,794	5,645
Curr. Liabilities	$ 71,878	$ 68,988
Long-term debt	26,197	22,171
8% convert. deben.	30,000	30,000
Other liabilities	617	825
Deferred inc. taxes	4,400	4,876
+Common stock	4,036	3,986
Add. paid-in capital	48,568	47,899
Retained earnings	28,156	66,155
Cum. trans. adjust.	353	885
Total Liabilities & Shareholders' Equity	$ 214,205	$ 245,785

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	4.81	6.63
Working Capital	$82,660,000	$ 81,003,000
Current Ratio	2.15	2.17
Shareholders' Equity	$81,113,000	$118,925,000

ITI Electronics, Inc.

P.O. Box 260
369 Lexington Avenue
Clifton, New Jersey 07011
(201) 546-3900

Officers: Joseph Weinberg, president; Joseph L. Cirigliano, executive v.p.; Frederick W. Vanderbeck, Jr., v.p.-purchasing; Florence V. Kiel, secretary.

Directors: Albert M. Zlotnick, chairman; Stanley Bilker, Joseph L. Cirigliano, Ralph Glazer, Joseph Weinberg.

Areas of Work: Manufactures terminal equipment for computer and data processing systems. Electronic components for telephone communications and surveillance and security systems.

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Number of Employees:

1982	27	1979	35
1981	24	1978	30
1980	20		

Plant Footage:

1982	20,000 sq. ft.	1979	20,000
1981	20,000	1978	20,000
1980	20,000		

Sales and Earnings

	Net Sales	Net Income ‡
1982	$ 800,808	$ 26,559
1981	574,597	(32,118)
1980	899,379	87,552
1979	1,100,081	136,314
1978	834,291	96,019

	No. of Com. Shares	Earn. per Share # ‡
1981	1,055,014	$ .025
1980	1,048,347	0.08
1979	1,019,014	0.13
1978	1,019,014	0.09

(Loss)
‡ Including extraordinary credit of $31,000 ($0.03 per share) in 1978.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	0.02	—	—

Common Stock Equity

	Total Equity +	Equity Per Share +
1982	$ 571,341	$ 0.54
1981	544,782	0.52
1980	576,900	0.55
1979	502,848	0.49
1978	371,534	0.36

+ After allowing for preferred stock at par value.

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 800,808	$ 574,597
Cost of sales	587,980	424,577
Expenses	164,457	203,819
Interest expense	13,265	11,310
Bad debts	1,151	1,669
Other income	(2,904)	(5,985)
Income (loss) before taxes	$ 36,859	$ (60,793)
Income taxes (credit)	10,300	(28,675)
Net Income (Loss)	$ 26,559	$ (32,118)

* Included in Costs and Expenses, Depreciation: $10,112 in 1981 and $9,648 in 1980.

Assets

As of Jan. 31	1982	1981
Cash	$ 108,114	$ 68,940
Accts. receiv., net	98,078	43,414
* Inventories	382,377	355,725
Other assets	4,471	4,678
Prepaid inc. taxes	5,583	46,370
Current Assets	$ 598,623	$ 519,127
# Fixed assets	157,699	166,321
Other assets	16,367	16,721
Total Assets	$ 772,689	$ 702,169

Liabilities

Long-term debt, curr.	$ 13,592	$ 12,304
Short-term borrowings	50,000	—
Accts. payable & accruals	33,724	35,189
Accrued payroll	14,192	12,337
State taxes	5,294	—
Other taxes	3,340	2,759
Curr. Liabilities	$ 120,142	$ 62,589
Long-term debt	81,076	94,668
+ Preferred stock	130	130
+ + Common stock	52,751	52,751
Add. paid-in capital	462,297	462,297
Retained earnings	61,293	34,734
Treasury stock	(5,000)	(5,000)
Total Liabilities & Shareholders' Equity	$ 772,689	$ 702,169

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value, Series A, cumulative convertible.
+ + $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.60	—
%Net Income to Sales	3.32	—
%Net Income to Equity	4.65	—
Sales to Inventories	2.09	1.62
Working Capital	$478,481	$456,538
Current Ratio	4.98	8.29
Shareholders' Equity	$571,471	$544,912

Jaco Electronics, Inc.

145 Oser Avenue
Hauppauge, New York 11787
(516) 273-5500

Officers: Charles B. Girsky, president; Denis A. Haggerty, v.p.; Joel H. Girsky, chairman of the board, secretary-treasurer; Stanley M. Zimmerman, asst. secretary.

Directors: Charles B. Girsky, Joel H. Grisky, Martin B. Bloch, Stephen A. Cohen.

Areas of Work: Distributes electronic components manufactured by others to various electronics companies. The company specializes in the distribution of capacitors, semiconductors, integrated circuits and resistors used in electronic consumer products, and electronic equipment for commercial, space and defense industries.

Subsidiaries:

Jaco Overseas Corp.
Components Supply Company, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JACO (NASDAQ)

Number of Employees:

1980	410	1978	320
1979	380	1977	260

Plant Footage:

1980	143,700 sq. ft.	1978	72,100
1979	104,200 sq.ft.	1977	62,600

Sales and Earnings

	Net Sales	Net Income
1981	$ 60,037,372	$ (1,249,456)
1980	64,827,516	1,749,304
1979	48,638,959	778,699
1978	40,604,668	(41,915)
1977	35,588,269	(664,867)

	No. of Com. Shares #	Earn per Share #
1981	751,125	$ —
1980	751,125	2.33
1979	751,125	1.04
1978	751,125	—
1977	751,125	—

(Loss)
# Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 6,929,037	$ 9.22
1980	8,178,493	10.89
1979	6,429,189	8.56
1978	5,650,491	7.52
1977	5,692,406	7.58

# Based on weighted average number of shares outstanding.

Income Account *

Year ended June 30	1980	1979
Net sales	$ 64,827,516	$ 48,638,959
Cost of sales	46,960,482	36,448,110
Expenses	12,846,896	9,958,083
Interest expense	1,810,902	1,103,467
Income before taxes	$ 3,209,236	$ 1,129,299
Income taxes	1,459,932	350,600
Net Income	$ 1,749,304	$ 778,699

* Included in Costs and Expenses, Depreciation: $266,222 in 1980 and $240,030 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 167,220	$ 188,165
Accts. receiv. net	11,347,421	7,713,933
Refundable taxes	—	—
* Inventories	12,361,716	9,988,517
Prepaid expenses	321,771	218,943
Current Assets	$ 24,198,128	$ 18,109,558
# Fixed assets	2,451,757	2,196,243
Other assets	130,038	84,446
Total Assets	$ 26,779,923	$ 20,390,247

Liabilities

	1980	1979
Long-term debt.curr.	$ 116,782	$ 56,851
Bank loans	10,708,544	7,008,661
Accts. payable	4,831,269	5,003,808
Accruals	760,620	566,298
Income taxes	1,116,268	340,145
Curr. Liabilities	$ 17,533,483	$ 12,975,763
Long-term debt	1,067,947	985,295
+ Common stock	75,113	75,113
Add paid-in capital	1,111,127	1,111,127
Retained earnings	6,992,253	5,242,949
Total Liabilities & Shareholders' Equity	$ 26,779,923	$ 20,390,247

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.95	2.32
%Net Income to Sales	2.70	1.60
%Net Income to Equity	21.39	12.11
Sales to Inventories	5.24	4.87
Working Capital	$ 6,664,645	$ 5,133,795
Current Ratio	1.38	1.40
Shareholders' Equity	$ 8,178,493	$ 6,429,189

Jamesbury Corp.

640 Lincoln Street
Worcester, Massachusetts 01605
(617) 852-0200

Officers: Howard G. Freeman, chairman & president; Daniel L. DeSantis, v.p.-industrial relations; William W. Rawstron, v.p.-engineering & planning; Maxweil H. Reck, v.p.-marketing & sales; Clyde S. Reynolds, v.p.-mfg.; John H. Freeman, v.p.-info. systems; Richard A. Morin, controller & accounting officer; Joaquim S.S. Ribeiro, v.p.-finance & international; Robert S. Bowditch, asst. secretary-clerk; James B. Reynolds, treasurer; Maurice E. Balboni, corp. controller; Richard P. Houlihan, Jr., v.p., general counsel, secretary & asst. clerk.

Directors: Robert S. Bowditch, Howard G. Freeman, Arthur E. Gilman, Arthur F.F. Snyder, Paul F. Hartz, C. Vincent Vappi, Paul S. Morgan, John H. Freeman, S. Warner Pach.

Areas of Work: Manufactures and sells ball valves, butterfly valves, valve actuators, and on-off throttling control valves and subsystems, used by the chemical processing, pulp and paper, petroleum, steel and power industries; also manufactures and sells punched-tape readers and accessories for the graphic arts, machine tools, computer peripherals and paper tape controlled equipment industries.

Divisions:

Decitek Division
129 Flanders Road
Westboro, Massachusetts 01581
(617) 798-8731

Manufactures punched tape-readers used in computer peripheral equipment and by machine tool control producers.

Subsidiaries:

Jamesbury Canada Ltd.
1282 Algoma Road
Mobile Route 1
Ottawa 15, Ontario, Canada
(613) 746-2211

Jamesbury Nippon Ltd.
18-7 Shibuya, 3-chome
Tokyo, Japan

Jamesbury Singapore (Pte.) Ltd.
Units 1-2, Block 1
1200 Depot Road
Singapore 4

Jamesbury GmbH
Wasserburg, West Germany

Jamesbury Ltd. (United Kingdom)

Jamesbury International Corp.
(DISC) (U.S.)

Transfer Agent(s):

New England Merchants National Bank
28 State Street
Boston, Massachusetts 02106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JAME (NASDAQ)

Number of Employees:

1981	1,450	1978	1,085
1980	1,450	1977	1,000
1979	1,250		

Plant Footage:

1981	525,000 sq. ft.	1978	380,000
1980	438,000	1977	380,000
1979	438,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 111,662,653	$ 7,131,250
1980	97,053,673	8,225,574
1979	77,735,050	5,307,293
1978	65,561,325	4,617,490
1977	58,479,334	4,660,261

	No. of Com. Shares †	Earn. per Share † ‡
1981	3,430,426	$ 2.08
1980	3,401,705	2.42
1979	3,383,317	1.57
1978	3,374,942	1.37
1977	3,342,082	1.39

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

‡ Including extraordinary gain of $3,748,420 ($1.10 per share) in 1980.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.60	—	—
1980	0.525	—	—
1979	0.425	25%	—
1978	0.34	—	—
1977	0.24	50%‡	—

‡ In the form of a 3-for-2 stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 41,313,831	$ 12.04
1980	36,080,754	10.61
1979	29,584,950	8.74
1978	25,712,608	7.62
1977	22,234,576	6.65

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1981	1980
Net Sales	$ 111,662,653	$ 97,053,673
Cost of sales	71,513,373	62,473,311
Expenses	23,923,886	21,347,056
Oper. profit	$ 16,225,394	$ 13,233,306
Interest expense	3,339,386	3,010,166
Minority interest	208,869	480,150
Foreign currency trans.	(457,111)	171,836
Income before taxes	$ 13,134,250	$ 9,571,154
Income taxes	6,003,000	5,094,000
Net Income	$ 7,131,250	$ 4,477,154
Extraord. gain	—	3,748,420
Net Income & Extraord. Gain	$ 7,131,250	$ 8,225,574

* Included in Costs and Expenses, Depreciation: $4,482,629 in 1981 and $3,287,836 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 3,184,649	$ 1,451,508
Settlement receiv.	—	8,000,000
Accts. receiv., net	15,871,023	16,951,943
* Inventories	35,175,796	36,848,483
Prepaid exp.	1,377,633	1,189,679
Current Assets	$ 55,609,101	$ 64,441,613
#Fixed assets	24,543,251	20,067,072
Investments & other assets	2,176,787	2,400,183
Restricted cash	—	3,246,208
Total Assets	$ 82,329,139	$ 90,155,076

Liabilities

	1981	1980
Notes payable	$ 6,632,830	$ 10,407,306
Long-term debt, curr.	1,535,259	1,145,378
Accts. payable	4,246,360	5,421,798
Accruals	5,970,393	5,646,704
Income taxes	5,980,782	4,771,933
Curr. Liabilities	$ 24,365,624	$ 27,393,119
Deferred compensation	449,847	470,982
Long-term debt	12,654,623	23,597,736
Deferred inc. taxes	2,408,147	1,777,017
Deferred credit	1,137,067	835,468
+ Common Stock	3,389,588	3,388,641
Add. paid-in capital	977,949	896,870

Retained earnings	36,946,294	31,842,124
Treasury stock (Loss)	—	(46,881)
Total Liabilities & Shareholders' Equity	$ 82,329,139	$ 90,155,076

*At lower of cost (LIFO) or market.
#Less accumulated depreciation.
+$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.76	9.86
%Net Income to Sales	6.39	4.61
%Net Income to Equity	17.26	12.41
Sales to Inventories	3.17	2.63
Working Capital	$31,243,477	$37,048,494
Current Ratio	2.28	2.35
Shareholders' Equity	$41,313,831	$36,080,754

Jetronic Industries, Inc.

Main and Cotton Streets
Philadelphia, Pennsylvania 19127
(215) 482-7660

Officers: Daniel R. Kursman, president and treasurer; Jerome I. Kursman, vice president and secretary; Garth E. Bower, group vice president; Leonard W. Pietrzak vice president-finance.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Garth E. Bower, Herbert Myers, Les Vizak, Marvin Levin, William L. Weiss, Erwin Strasmich.

Areas of Work: Engaged in the design, manufacture, and sale of electronic communication and navigation equipment and the manufacture and sale of circuit boards and instrumentation systems.

Divisions:

Ray Jefferson Division
Main and Cotton Streets
Philadelphia, Pennsylvania 19127

Development of marine electronic communication and navigation equipment and accessory instruments for commerical and leisure use, including marine radio telephones, radio direction finders, and marine antennas.

Electronics Division
Main and Cotton Street
Philadelphia, Pennsylvania 19127

Manufactures the products marketed by the Ray Jefferson Division. Also designs and manufactures, to customer specifications, precision electronic equipment, including digital data control terminals, broadcast and communications equipment.

Transchem Division
3667 Birch Street
Newport Beach, California 92660

Produces multilayer laminated rigid and flexible etched circuit boards, primarily for the computer and aerospace industries and precision power systems and ground support/checkout systems.

Harry Levin, Inc.
Philadelphia, Pennsylvania

Engaged in the retail furniture and appliance business in Philadelphia and Reading, Pennsylvania. Also manufactures narrow tapes, shock cord, industrial straps, and related products.

Ross Matthews Corporation
Fall River, Massachusetts

Manufactures narrow tapes, shock cord, industrial straps and related products.

Transfer Agent(s):

Continental Stock Transfer Company
New York, New York.

Stock Exchange(s): American

Ticker Symbol: JET

Sales and Earnings

	Revenues (000's)	Net Income (000's)
1982	$ 30,793	$ (642)
1981	30,591	(436)
1980	13,460	654
1979	12,967	546
1978	14,029	497

	No. of Com. Shares ‡	Earn. per Share ‡
1982	1,486,209	$ —
1981	1,487,400	—
1980	1,492,000	0.44
1979	1,487,000	0.37
1978	2,489,000	0.32

(Loss)
‡ Based on weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1982	1981
Jetronic:		
Electronic communication & navagation equipment	$ 4,913	$ 4,889
Circuit boards & instrumentation systems	5,183	5,020
The Levin Group:		
Retail furniture & appliances	15,408	15,893
Narrow Fabrics & tapes	5,289	4,789
Total	$ 30,793	$ 30,591

Common Stock Equity

	Total Equity	Equity Per Share +
1982	$ 6,819,300	$ 4.59
1981	7,461,200	4.98
1980	7,897,200	5.29
1979	7,243,500	4.87
1978	6,698,000	4.50

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 29,589,300	$ 29,355,100
Other income	1,203,700	1,235,500
Total income	$ 30,793,000	$ 30,590,600
Cost of sales	20,840,100	20,534,900
Expenses	8,404,200	8,556,300
Interest expense	2,311,000	2,204,500
Income (loss) before taxes	(762,300)	(705,100)
Income tax credit	(120,400)	(131,300)
Preacquisition loss	$ —	$ (137,800)
Net Losame	(641,900)	(436,000)

* Included in Costs and Expenses, Depreciation and Amortization: $395,900 in 1981 and $431,000 in 1980.

Assets

As of Jan. 31	1982	1980
Cash	$ 85,800	$ 273,900
Accts. receiv., net	11,273,300	11,915,700
*Inventories	7,703,700	7,096,400
Deferred inc. taxes	603,900	579,100
Prepaid expenses	515,300	352,600
Current Assets	$ 20,182,000	$ 20,217,700
#Fixed assets	1,536,400	1,645,600
Goodwill	1,942,900	2,072,800
Other assets	266,000	317,700
Total Assets	$ 23,927,300	$ 24,253,800

Liabilities

Notes payable	$ 10,144,000	$ 10,242,200
Long-term debt, curr.	731,300	570,500
Accts. payable	1,399,300	911,600
Accrued payroll	365,300	386,500
Other accruals	2,481,400	2,308,300
Curr. Liabilities	$ 15,121,300	$ 14,419,100
Long-term debt	1,986,700	2,299,000
Deferred credit	—	74,500
+Common stock	148,600	148,600
Add. paid-in capital	3,314,500	3,314,500
Retained earnings	3,356,200	3,998,100
Total Liabilities & Shareholders' Equity	$ 2[illegible] 927,300	$ 24,253,800

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tape stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.84	4.14
Working Capital	$5,060,700	$5,798,600
Current Ratio	1.33	1.40
Shareholders' Equity	$6,819,300	$7,461,200

John Fluke Mfg. Co., Inc.

6920 Seaway Boulevard
P.O. Box C9090
Everett, Washington 98206
(206) 342-6300

Officers: John M. Fluke, chairman of the board & chief executive officer; John W. Zevenbergen, president & chief operating officer; Everts L. Johns, vice president & treasurer; John R. Smith, v.p. & controller; George M. Winn, v.p. & mgr.-general test & service division; Jerome A. Froland, v.p.-marketing; Frederick R. Hume, v.p.-technology & planning; Marvin D. Moist, v.p.-int'l; Wheeler Grey, secretary.

Directors: John M. Fluke, Everts L. Johns, John W. Zevenbergen, Wheeler Grey, Robert Hofstadter, Richard B. Hooper, James B. Scroggs, Henry G. Dahl, Jr., John M. Fluke, Jr., N. Stewart Rogers.

Areas of Work: Designs, manufactures and sells commercial electronic test and measurement instruments and systems for scientific, educational, industrial and governmental applications. Products manufactured include digital voltmeters and multimeter electronic counters, frequency synthesizers, digital thermometers, circuit board testers, data loggers, calibrators and standards, signal generators, automatic test systems, IEEE Bus Controllers and microsystem testers.

Subsidiaries:

Fluke International Sales Corporation
P.O. Box C9090
Everett, Washington 98206

Fluke Automated Systems, Inc.
631 Clyde Avenue
Mountain View, California 94040

Fluke (Nederland) B.V.
P.O. Box 5004 EB
Tilburg, The Netherlands

Fluke (G.B.) Ltd.
Colonial Way
Watford, Herts, WD24TT
England

Fluke (South Africa' Pty. Ltd.
P.O. Box 39797
Bramley 2018
South Africa

Instrument Specialists Sales Group-
John Fluke Mfg. Co., Inc.
2020 No. Lincoln Street
Burbank, California 91504

CCI Sales Group
1400 Hicks Road
Rolling Meadows, Illinois 60008

John Fluke Mfg. Co., Inc. - Japan
1 Higashikata-machi
Midori-ku
Yokohama 226, Japan

Fluke Belgium SA/NV
6 Rue de Geneve
1140 Brussels, Belgium

Fluke Brasil-Industria e Comercio Ltda.
Alameda Amazonas, No. 422
Alphaville, Barueri
Sao Paolo, Brazil

Fluke (Deutschland) GmbH
Kraustrasse 32
8045 Ismaning, West Germany

SBM Representative Sales Group -
John Fluke Mfg. Co., Inc.
West 75 Century Road
Paramus, New Jersey 07652

Transfer Agent(s):

Peoples National Bank of Washington
1414 4th Avenue
Seattle, Washington 98111

Bradford Trust Company
P.O. Box 71
Bowling Green Station
New York, New York 10004

Stock Exchange(s): American, Pacific

Ticker Symbol: FKM

Number of Employees:

1981	2,677	1978	1,874
1980	2,631	1977	1,580
1979	2,631		

Plant Footage:

1981	671,174 sq. ft.	1978	235,634
1980	386,000	1977	228,000
1979	361,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 139,580,000	$ 8,478,000
1980	133,864,000	9,625,000
1979	108,071,000	9,246,000
1978	81,808,000	6,796,000
1977	62,622,000	4,511,000

	No. of Com. Shares#	Earn. per Share#
1981	6,624,036	$ 1.28
1980	6,485,006	1.48
1979	6,412,086	1.44
1978	6,256,285	1.09
1977	6,187,633	0.73

#Based on average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	5%	—
1979	—	100%	—
1978	—	5%	—
1977	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 64,874,000	$ 9.67
1980	53,357,000	8.59
1979	42,606,000	7.30
1978	32,753,000	5.72
1977	25,262,000	4.73

‡Based on average number of shares outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 139,580	$ 133,864
Cost of sales	62,952	58,458
Expenses	60,639	57,141
Interest expense	2,622	1,953
Other income	(786)	(1,188)
Income before taxes	$ 14,153	$ 17,500
Income taxes	5,675	7,875
Net Income	$ 8,478	$ 9,625

*Included in Costs and Expenses, Depreciation and Amortization: $5,223,000 in 1981 and $3,299,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 1,242	$ 4,937
Accts. receiv., net	31,123	28,014
*Inventories	37,030	30,298
Prepaid inc. taxes	1.904	1,584
Prepaid expenses	1,053	839
Current Assets	$ 72,352	$ 65,672
#Fixed assets	53,836	39,918
Other assets	2,595	1,665
Total Assets	$ 128,783	$ 107,255

Liabilities
(000's)

Notes payable	$ 2,350	$ —
Long-term debt, curr.	1,157	1,151
Accts. payable	9,562	8,439
Accruals	8,411	10,627
Income taxes	61	631
Curr. Liabilities	$ 21,541	$ 20,848
Long-term debt	32,423	27,276
Deferred comp.	2,709	1,898
Deferred inc. taxes	7,236	3,876
+Common stock	1,677	1,553
Add. paid-in capital	32,988	23,152
Retained earnings	30,209	28,652
Total Liabilities & Shareholders' Equity	$ 128,783	$ 107,255

*At lower of cost (FIFO) or market.
#Less accumulated depreciation.
+$0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.14	13.07
%Net Income to Sales	6.07	7.19
%Net Income to Equity	13.07	18.04
Sales to Inventories	3.77	4.42
Working Capital	$50,811,000	$44,824,000
Current Ratio	3.36	3.15
Shareholders' Equity	$64,874,000	$53,357,000

Johnson & Johnson

501 George Street
New Brunswick, New Jersey 08903
(201) 524-0400

Officers: James E. Burke, chairman of the board & chief executive officer; David R. Clare, president & chairman of the executive committee; Lawrence G. Foster, v.p.-public relations; Robert A. Fuller, v.p.-science & technology; John J. Heldrich, v.p.-administration; Robert E. Campbell, v.p.-finance; William J. Ryan, secretary; George S. Frazza, general counsel; Andrew J. Markey, treasurer.

Directors: James E. Burke*, Robert E. Campbell*, David R. Clare*, Ann D. Cook, Joan G. Cooney, Victor J. Dankis*, Frank DeAngeli*, Robert S. Hatfield, John J. Heldrich*, Donald D. Johnston*, Donald S. MacNaughton, Robert Q. Marston, Arthur M. Quilty*, Herbert G. Stolzer*, Verne M. Willaman*, William O. Baker, Thomas S. Murphy.

* Member of the Executive Committee.

Areas of Work: The Company's worldwide business is divided into four industry segments: Consumer, Professional, Pharmaceutical and Industrial.

The Consumer segment consists of toiletries and hygienic products, including baby care items, first aid products and nonprescription drugs.

The Professional segment includes ligatures and sutures, diagnostic products, dental products, medical equipment and devices, surgical dressings, surgical specialties, surgical instruments and related items used principally by the professional fields, including hospitals, physicians, dentists, diagnostic laboratories and clinics.

The Pharmaceutical segment is principally prescription drugs, including contraceptives and therapeutics, and veterinary products, which are distributed both directly and through wholesalers for use by health care professionals and the general public.

The Industrial segment includes textile products, industrial tapes and adhesives, collagen sausage castings and fine chemicals. These products are, in general, not end-use products available to or used by the general public, but are either converted or consumed by industrial users in the course of their business activities.

Electronic Subsidiaries:

Technicare Corporation
29100 Aurora Road
Solon, Ohio 44139
(216) 248-1800

Offers physicians products in three of the most important diagnostic imaging fields: computed tomography (CT) scanning, ultrasonic imagers and nuclear medicine systems.

Xanar, Inc.
2868 Janitell Road
Colorado Springs, Colorado 80906
(303) 576-7050

Produces carbon dioxide lasers used in surgical applications.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Toronto

Ticker Symbol: JNJ

Number of Employees:

1981	77,100	1978	67,000
1980	74,300	1977	60,500
1979	71,800		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981*	$ 5,399,000	$ 467,600
1980	4,837,400	400,700
1979	4,211,571	352,060
1978	3,497,334	299,060
1977	2,914,081	247,318

	No. of Com. Shares ‡	Earn. per Share ‡
1981*	186,400,000	$ 2.51
1980	184,800,000	2.17
1979	183,300,000	1.92
1978	179,400,000	1.67
1977	175,200,000	1.41

* 53 weeks.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Consumer	$ 2,362,800	$ 2,124,700
Professional	1,734,400	1,540,500
Pharmaceutical	1,008,100	868,800
Industrial	293,700	303,400
Total	$ 5,399,000	$ 4,837,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.85	—	3-for-1
1980	0.74	—	—
1979	0.67	—	—
1978	0.57	—	—
1977	0.47	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$2,527,900,000	$ 13.51
1980	2,269,100,000	12.24
1979	1,986,646,000	10.82
1978	1,700,828,000	9.47

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/3/82 (53 weeks)	12/28/80
Net sales	$ 5,399,000	$ 4,837,400
Other income	107,400	76,400
Total income	$ 5,506,400	$ 4,913,800
Cost of sales	2,651,300	2,427,100
Expenses	2,030,600	1,794,200
Interest expense	17,200	4,300
Other expenses	23,400	12,900
Income before taxes	$ 783,900	$ 675,300
Income taxes	316,300	274,600
Net Income	$ 467,600	$ 400,700

* Included in Costs and Expenses, Depreciation and Amortization: $152,400,000 in 1981 and $138,700,000 in 1980.

Assets
(000's)

As of	1/3/82	12/28/80
Cash & cert. of deposit	$ 101,200	$ 92,800
Marketable securities	325,800	266,300
Accts. receiv.,	705,900	643,800
*Inventories	900,100	848,800
Prepaid exp. & other receiv.	169,200	119,300
Current Assets	$ 2,202,200	$ 1,971,000
Marketable securities	193,500	143,900
#Fixed assets	1,335,600	1,161,900
Other assets	89,100	65,700
Total Assets	$ 3,820,400	$ 3,342,500

Liabilities
(000's)

Loans & notes payable	$ 195,400	$ 167,000
Accts. payable	297,000	283,500
Accruals	298,000	250,800
Income taxes	90,800	72,200
Curr. Liabilities	$ 881,200	$ 773,500
Long-term debt	91,700	70,100
Cert. of extra compens.	38,300	32,800
Minority interests	11,600	9,500
Deferred inv. tax cred.	30,100	23,700
Other liabilities	239,600	163,800
+Common stock	187,300	185,600
Add. paid-in capital	178,200	144,300
Cum. curr. translation adjust.	(85,700)	—
Retained earnings	2,249,100	1,940,100
Treasury stock	(1,000)	(900)
Total Liabilities & Shareholders' Equity	$ 3,820,400	$ 3,342,500

* At lower of cost (FIFO) or market. The majority of domestic inventories valued at LIFO.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.52	13.96
%Net Income to Sales	8.66	8.28
%Net Income to Equity	18.50	17.66
Sales to Inventories	6.00	5.70
Working Capital	$1,321,000,000	$1,197,500,000
Current Ratio	2.50	2.55
Shareholders' Equity	$2,527,900,000	$2,269,100,000

Johnson Controls, Inc.

5757 North Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200

Officers: Fred L. Brengel, president & chief executive officer; William P. Chapman, Milton C. Zilis, William L. Rootham, Richard D. Wilson, Frank M. Sterner, vice presidents; James H. Keyes, v.p., chief financial officer & treasurer; Thomas B. Whitten, corp. controller; Charles R. Whitburn, asst. controller; Kenneth J. Kammeraad, secretary; James M. Wade, Kenneth E. Voss, Florence Klatt, asst. secretaries; Vincent R. Peterson, asst. treasurer.

Directors: Ettore Barbatelli, Clarence A. Bickel*, Fred L. Brengel*, Seymour F. Johnson, Ralph S. Penn*, John S. Randall*, William L. Rootham, George L. Vargas, Donald Taylor, Robert T. Foote, James L. Krum, R. Douglas Ziegler.

* Member of the Executive Committee.

Areas of Work: Engaged in the development, production and servicing of computer systems designed for building automation, fire safety and security and energy systems; manufactures and markets auto batteries and electronic components.

Divisions:

Systems & Services Division
Provides building automation systems and products which can monitor and control every phase of a building's operations including energy conservation, fire safety and security.

Systems Engineering & Construction Division
Designs, installs and maintains industrial instrumentation systems.

Control Products Division
Designs, produces and distributes energy related products to other original equipment manufacturers. Penn products include a complete line of automatic temperature pressure and flow controls for air conditioning, refrigeration, commercial and residential heating, water pumping and gas burning equipment.

Globe International Division
Sells battery process equipment and licenses related technology overseas.

Battery Division
Manufactures and sells rechargeable lead-acid batteries.

Electronics Division
Manufactures ceramic disc and monolithic capacitors, switches, variable resistors and thick film circuits for the telecommunications, automotive, home entertainment, military, computer and instrumentation markets.

Control Valve Division
Produces products used primarily in the industrial, chemical, petrochemical and power generation industries. Among these products are diaphragm operated control valves, displacement level controllers and pressure regulators.

Power & Process Piping Division
Supplies fabricated pipe and related hardware to the country's power generating industries for conventional fossil fuel and nuclear power plants.

Subsidiaries:

Johnson Controls International, Inc.
Milwaukee, Wisconsin

Kieley and Mueller, Inc.
Middletown, New York

Associated Piping & Engineering Corp.
Compton, California

Johnson Controls, Ltd.
Toronto, Ontario, Canada

Transfer Agent(s):

First Wisconsin Trust Co.
P.O. Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): New York

Ticker Symbol: JCI

Number of Employees:

1981*	20,000	1978	23,000
1980*	18,500	1977	11,750
1979*	18,800		

* Of continuing operations only.

Plant Footage:

1981	5,023,000 sq. ft.	1978	5,264,000
1980	5,000,000	1977	2,034,000
1979	5,264,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$1,128,386,000	$ 48,132,000
1980	964,854,000	33,693,000
1979	921,349,000	49,920,000
1978	575,908,000	37,200,000
1977	372,782,000	23,961,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	13,056,597	$ 3.43
1980	12,962,271	2.41
1979	12,826,603	3.58
1978	9,593,203	3.33
1977	8,322,750	2.76

+ Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.30	—	—
1980	1.20	—	—
1979	1.10	—	—
1978	1.025	—	—
1977	0.75	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 327,495,000	$25.49
1980	295,302,920†	23.38
1979	276,893,960†	22.20
1978	259,231,360†	21.05
1977	117,780,000	13.65

† After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net Sales	$ 1,128,386	$ 964,854
Cost of sales	870,523	740,695
Expenses	175,090	157,199
Oper. profit	$ 82,773	$ 66,960
Other income	(11,881)	(5,753)
Total	$ 94,654	$ 72,713
Interest expense	10,021	11,623
Income before taxes	$ 84,633	$ 61,090
Income taxes	36,501	27,069
Income from cont. oper.	$ 48,132	$ 34,021
Income (loss) from discont. oper.	—	(328)
Net Income	$ 48,132	$ 33,693

* Included in Costs and Expenses, Depreciation and Amortization: $25,001,000 in 1981 and $21,178,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash & invest.	$ 57,521	$ 25,709
Accts. receiv., net	225,071	178,878
Contract costs in excess of billings	27,039	28,042
*Inventories	150,583	145,084
Other assets	11,189	9,168
Current Assets	$ 471,403	$ 386,881
#Fixed assets	234,294	201,896
Other assets	86,343	86,556
Total Assets	$ 792,040	$ 675,333

Liabilities
(000's)

Notes payable	$ 17,653	$ 4,304
Long-term debt, curr.	4,608	4,787
Accts. payable	47,013	45,373
Accruals	35,586	26,730
Billings in excess of costs	136,490	100,030
Income taxes	21,840	11,094
Other liabilities	52,788	39,140
Curr. Liabilities	$ 315,978	$ 231,458
Long-term debt	104,173	107,687
Deferred inc. taxes	13,725	8,123
+ Preferred stock	767	819
+ + Common stock	13,099	12,998
Add. paid-in capital	158,937	158,461
Retained earnings	185,361	155,787
Total Liabilities & Shareholders' Equity	$ 792,040	$ 675,333

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; convertible Series B.
+ + $1.00 par value.

Statistical Summary

%Net Income to Equity	13.44	10.27
Sales to Inventories	7.49	6.65
Working Capital	$155,425,000	$155,423,000
Current Ratio	1.49	1.67
Shareholders' Equity	$358,164,000	$328,065,000

E. F. Johnson Company

299 Tenth Avenue Southwest
Waseca, Minnesota 56093
(507) 835-6222

Officers: Richard E. Horner, chairman of the board & president; Richard A. Westrum, sr. v.p.-operations; Howard A. Sahlstrom, sr. v.p.-finance & Treasurer; Carl H. Insel, v.p.-radio products manufacturing; Bruce E. Pontius, v.p.-radio products engineering; M.B. Long, v.p.-radio products marketing; Ralph W. May, v.p.-mobiletelephone systems operations; D. Duane Morris, v.p. components manufacturing; Joyce A. Thompsen, v.p.-administration & secretary; Robert J. Telma, controller; Robert M. Fuller, v.p. & general manager-US Communications Corporation.

Directors: Edgar F. Johnson, Robert A. Burgin, Charles W. Oswald, Charles M. Denny, Jr., James C. Harris, Richard E. Horner, Robert J. Johnson, W.G. Shepherd.

Areas of Work: Operates in two business segments: two-way radio communications and electronic components. Designs, manufactures and sells two-way radio equipment for application to mobile communications requirements. In addition, designs and manufactures electronic components for sale to manufacturers of radios and other electronic equipment.

Subsidiaries:

Rydax, Inc.
Palo Alto, California

Johnson American, Inc.
Garner, Iowa

US Communications Corporation
Kent, Washington

Acquisition(s):

US Communications Corporation
Kent, Washington

Manufactures radio telephone control units and selective signaling equipment.

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Seventh & Marquette
Minneapolis, Minnesota 55480

Northwestern Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: JEF

Number of Employees:

1981	1,434	1978	1,282
1980	1,164	1977	1,846
1979	1,172		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 59,539,000	$ 4,897,000
1980	42,802,000	3,082,000
1979	44,010,000	2,435,000
1978	41,201,000	1,505,000
1977	53,330,000	(18,971,000)

	No. of Com. Shares #	Earn. per Share †
1981	3,183,065	$ 1.66
1980	2,606,665	1.17
1979	2,600,095	0.94
1978	2,599,595	0.59
1977	2,531,000	—

(Loss)
† Including extraordinary gains of $1,793,000 ($0.61 per share) in 1981, $1,261,000 ($0.48 per share) in 1980, $1,120,000 ($0.43 per share) in 1979 and $140,000 ($0.06 per share) in 1978.
# Based on the weighted average number of common shares.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 31,890,000	$ 10.02
1980	17,223,000	6.61
1979	14,133,000	5.44
1978	11,546,000	4.44
1977	9,836,000	3.89

Income Account *

Year ended Dec. 31	1981	1980
Net Sales	$ 59,539,000	$ 42,802,000
Other income	991,000	642,000
Total income	$ 60,530,000	$ 43,444,000
Cost of sales	35,245,000	25,540,000
Expenses	17,720,000	14,607,000
Contrib. to profit sharing trust	1,222,000	132,000
Gain on sale	—	1,250,000
Interest expense	802,000	1,089,000
Other charges	137,000	204,000
Income before taxes	$ 5,404,000	$ 3,122,000
Income taxes	2,300,000	1,301,000
Net Income	$ 3,104,000	$ 1,821,000
Extraord. gain	1,793,000	1,261,000
Net Income & extraord. gain	$ 4,897,000	$ 3,082,000

* Included in Costs and Expenses, Depreciation: $1,767,000 in 1981 and $1,590,000 in 1980.

Assets

As of Dec. 31		1980
Cash	$ 115,000	$ 352,000
Short-term investments	8,756,000	—
Accts. & contracts receiv., net	13,067,000	9,888,000
*Inventories	16,056,000	13,119,000
Prepaid expenses	359,000	197,000
Current Assets	$ 38,354,000	$ 23,556,000
Fixed assets	6,434,000	5,470,000
Other assets	1,847,000	2,540,000
Total Assets	$ 46,635,000	$ 31,566,000

Liabilities

Long-term debt, curr.	$ 694,000	$ 695,000
Accts. payable	4,586,000	4,014,000
Accruals	2,168,000	1,396,000
Employee profit sharing trust	1,222,000	132,000
Curr. Liabilities	$ 8,670,000	$ 6,237,000
Long-term debt	4,951,000	7,357,000
Deferred comp.	1,124,000	749,000
+ Common stock	1,604,000	1,315,000
Add. paid-in capital	24,383,000	15,277,000
Retained earnings	6,253,000	981,000
Treasury stock (Loss)	(350,000)	(350,000)
Total Liabilities & Shareholders' Equity	$ 46,635,000	$ 31,566,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.08	7.29
%Net Income to Sales	5.21	4.25
%Net Income to Equity	9.73	10.57
Sales to Inventories	3.71	3.26
Working Capital	$29,684,000	$17,319,000
Current Ratio	4.42	3.78
Shareholders' Equity	$31,890,000	$17,223,000

Joslyn Mfg. and Supply Co.

2 North Riverside Plaza
Chicago, Illinois 60606
(312) 454-2920

Officers: Donald B. Hamister, chairman of the board & president; Alwyn A. deSouza, group v.p.-Protective Equipment Group; Kenneth R. Roza, group v.p.-Hardware Group; Richard A. Kruk, v.p., general counsel & secretary; Roland E. Mattson, v.p.-gen. mgr., Galvanizing Div.; Raymond E. Micheletti, v.p., gen. mgr., Hi-Voltage Equipment Div.; Donald G. Powell, v.p.-gen. mgr., Pinco Div.; Walter W. Schoenholz, v.p.-treasurer; Lawrence G. Wolski, v.p. & chief financial officer.

Directors: Donald B. Hamister, chairman of the board; Alwyn A. deSouza, James H. Ingersoll, Kenneth R. Roza, Russell R. Malik, Richard A. Kruk, Lawrence G. Wolski.

Areas of Work: Engaged in manufacturing and supplying electric power and telephone companies with electrical apparatus and services used in construction and maintenance of transmission and distribution facilities. Also manufactures aircraft lightning arresters and electronic systems for suppression of voltage and current surges. Also, produces forgings, provides custom hot dip galvanizing .

Subsidiaries:

J.C. Liquidating, Inc.

Joslyn Industries (Canada) Ltd.
56 Charles Street
Newmarket, Ontario, Canada
(416) 895-5151

Little, Haugland and Kerr Limited
P.O. Drawer 280
Terrace, British Columbia
(604) 635-6295

Affiliates:

Porcelanas Pinco S.A. de C.V. (49% owned)
Mexico City, Mexico

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JOSL (NASDAQ)

Number of Employees:

1981	2,000	1978	3,100
1960	2,000	1977	3,335
1979	2,475		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 148,432,000	$ 15,867,000
1980	143,843,000	12,620,000
1979	144,328,000	8,429,000
1978	127,305,000	4,264,000
1977	114,186,000	4,726,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,544,767	$ 4.27
1980	3,551,832	2.12
1979	3,559,332	1.63
1978	3,559,332	1.15
1977	3,730,947	1.27

+ Of continuing operations only.
‡ Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Conductor support	$ 87,589	$ 87,521
Protective equip.	64,845	60,247
Other	—	630
Eliminations	4,002	(4,555)
Total	$ 148,432	$ 143,843

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.28	—	3-for-2
1980	0.99	—	—
1979	0.82	—	—
1978	0.80	—	—
1977	0.78	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 99,626,000	$ 28.05
1980	88,722,000	25.01
1979	79,836,000	22.43
1978	74,325,000	20.88
1977	72,908,000	20.49

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 143,843,000	$ 144,328,000
Cost of sales	110,498,000	110,264,000
Expenses	14,474,000	16,670,000
Profit sharing plan	1,764,000	1,614,000
Gen. corp. expenses	3,557,000	3,698,000
Interest expense	2,378,000	2,398,000
Other income	(2,530,000)	(1,283,000)
Income before taxes	$ 13,702,000	$ 10,967,000
Income taxes	6,150,000	5,160,000
Income from cont. oper.	$ 7,552,000	$ 5,807,000
Income from discont oper.	5,068,000	2,622,000
Net Income	$ 12,620,000	$ 8,429,000

* Included in Costs and Expenses, Depreciation: $2,042,000 in 1980 and $1,897,000 in 1979.

Assets

As of Dec. 31	1980	1979
Cash & short-term invest.	$ 26,776,000	$ 7,934,000
Accts. receiv., net	17,594,000	19,735,000
* Inventories	29,875,000	38,155,000
Assets of discont. oper.	26,075,000	13,605,000
Current Assets	$ 100,320,000	$ 79,429,000
# Fixed assets	28,491,000	25,282,000
Prepaid expenses & other assets	5,375,000	4,498,000
Assets of discont. oper.	—	13,974,000
Total Assets	$ 134,186,000	$ 123,083,000

Liabilities

	1980	1979
Loans payable	$ —	$ 634,000
Long-term debt, curr.	1,000,000	—
Accts. payable	4,614,000	6,716,000
Accruals	12,082,000	11,113,000
Income taxes	6,760,000	2,130,000
Curr. Liabilities	$ 24,456,000	$ 20,593,000
Long-term debt	19,000,000	20,000,000
Deferred inc. taxes	2,008,000	2,654,000
+ Common stock	3,116,000	3,116,000
Retained earnings	87,649,000	78,565,000
Treasury stock	(2,043,000)	(1,845,000)
Total Liabilities & Shareholders' Equity	$ 134,186,000	$ 123,083,000

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Net Income to Equity	14.22	10.56
Sales to Inventories	4.81	3.78
Working Capital	75,864,000	58,836,000
Current Ratio	4.10	3.86
Shareholders' Equity	88,772,000	79,836,000

Julie Research Laboratories, Inc.

211 West 61st Street
New York, New York 10023
(212) 245-2727

Officers: Loebe Julie, president & treasurer; Ora Julie, v.p. & secretary.

Directors: Loebe Julie, Ora Julie.

Areas of Work: Manufactures instruments and modular components. One product is a fully-instrumented system of AC and DC measurement. Other products include voltage dividers, operational amplifiers, preamplifiers, current sources, decade resistor boxes, resistors networks, and resistance standards, interface systems and tools for ultra-precise measurements.

Divisions and Subsidiaries:

Optimation Division
211 West 61 Street
New York, New York 10023

Transfer Agent(s):

Chemical Bank
770 Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 38

Plant Footage:

1981 . . . . . . 18,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1980	$ 1,410,352	$ 79,217
1979	875,262	27,715
1978	930,440	53,637
1977	1,114,307	66,098
1976	971,459	80,948

	No. of Com. Shares	Earn. per Share †
1980	417,514	$ 0.19
1979	417,514	0.07
1978	420,514	0.13
1977	420,514	0.16
1976	420,514	0.19

(Loss)
‡ Unaudited.
† Based on weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 310,774	$ 0.74
1979	231,557	0.55
1978	205,221	0.49
1977	151,584	0.36
1976	85,486	0.20

‡ Unaudited.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 1,410,352	$ 875,262
Cost of sales	926,735	549,007
Expenses	404,400	298,540
Net Income	$ 79,217	$ 27,715

‡ Unaudited.
* Included in Costs and Expenses, Depreciation and Amortization: $2,838 in 1980 and $3,211 in 1979.

Assets

As of Dec. 31	1980	1979
Cash & cash equiv.	$ 263,236	$ 20,898
Accts. receiv., net	192,929	108,627
* Inventories	76,542	282,972
Prepaid expenses	4,575	5,979

Current Assets	$	537,282	$	398,476
# Fixed assets		19,957		12,177
Total Assets	$	557,239	$	410,653
Liabilities				
Accts. payable	$	25,670	$	11,052
Accruals		170,261		75,561
Loan payable		41,534		83,483
Curr. Liabilities	$	237,465	$	170,096
Reserve for retirement bonus		9,000		9,000
Deferred income		—		—
+ Common stock		442,497		442,497
Add. paid-in capital		154,582		154,582
Deficit		(153,382)		(232,599)
Treasury stock		(132,923)		(132,923)
Total Liabilities & Shareholders' Equity	$	557,239	$	410,653

‡ Unaudited.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Sales	5.62	3.17
%Net Income to Equity	25.49	11.97
Sales to Inventories	18.43	. 3.33
Working Capital	$299,817	$228,380
Current Ratio	2.26	2.34
Shareholders' Equity	$310,774	$231,557

Kaman Corporation

Old Windsor Road
Bloomfield, Connecticut 06002
(203) 243-8311

Officers: Charles H. Kaman, president; Stewart A. Bliss. executive officer; Bailes T. Nezames, sr. v.p.-finance; Fred L. Smith, sr. v.p.; Maurice P. Andrien, Jr., Lucian E. Baldwin Robert D. Moses, vice presidents; Glenn Z. Messemer, v.p. & asst. secretary; John S. Murtha, secretary; William P. Desautelle, treasurer; Robert M. Garneau, controller; Lawrence G. Arnold, Eugene G. Daly, Russell H. Jones, James A. Morholt, assistant vice presidents; Roger W. Roy, asst. controller.

Directors: Stewart A. Bliss*, Charles H. Kaman*, John S. Murtha*, John B. Fiott, Frederick D. Watkins, Carlyle F. Barnes, Robert H. Willis, D. Brainerd Holmes, Robert L. Newell, Richard F. Gottier, Forrest S. Petersen.

*Member of Executive Committee.

Areas of Work: Manufacture of musical instruments; aerospace products; nuclear research and nuclear devices; aviation services; industrial parts and services; environmental instrumentation such as digital radiation monitors; computer time sharing; measuring devices.

Divisions and Subsidiaries:

Sciences Group
Neutron generators, advanced materials, measuring devices, weapons studies, nuclear research, advanced aerodynamics, computer time-sharing and programs, and systems analysis.

Kaman Sciences Corporation
Garden of the Gods Road
Colorado Springs, Colorado 80907

Kaman Instrumentation Corporation
Colorado Springs, Colorado 80907

Music Group
Acoustic and electric guitars, accessories, musical strings; pianos, a complete line of musical instruments and repair.

Coast Wholesale Music Co. of Los Angeles
1215 W. Walnut Street
Compton, California 90220

Coast Wholesale Music Co. of San Francisco
200 Industrial Way
San Carlos, California 94070

Ovation Instruments, Inc.
Bloomfield, Connecticut 06057

Kaman Musical String Corporation
Bloomfield, Connecticut

C. Bruno & Son, Inc.
San Antonio, Texas
Wheeling, Illinois
Bloomfield, Connecticut
Atlanta, Georgia

Currier Piano Company, Inc.
Marion, North Carolina 28752

Aerospace Group
Airframe components; rotary wing, energy systems, research and development; bearings, couplings.

Kaman Aerospace Corporation
Bloomfield, Connecticut 06002

Kamatics Corporation
Bloomfield, Connecticut 06002

Aviation Services Group
Aircraft sales and services, fuel, repair, charter service, flight training and airline services.

AirKaman, Incorporated
Bradley International Airport
Windsor Locks, Connecticut 06096

AirKaman of Omaha, Inc.
Eppley Airfield
Box 19064
Omaha, Nebraska 68119

AirKaman of Jacksonville, Inc.
Jacksonville International Airport
Box 18157
Jacksonville, Florida 32229

AirKaman of Westover
Chicopee, Massachusetts

Bearing & Supply Group
Line of new and replacement parts for industrial operations. Consulting services in power transmission, material handling and industrial operations.

Kaman Aircraft Bearing
Los Angeles, California

Kaman Bearing and Supply Corp. of California
Kaman Bearing & Supply Co.
140 S. Arrowhead Avenue
San Bernardino, California 92408

Kaman Bearing and Supply Corp. Intermountain
1771 South 450 West
Salt Lake City, Utah 84110

Kaman Bearing and Supply Corp. Northwest
East 4115 Trent Avenue
Spokane, Washington 99220

Kaman Bearing and Supply Corp. East
5900 Firestone Drive
Syracuse, New York 13221

Transfer Agent(s):
Hartford National Bank & Trust Co.
150 Windsor Street
Hartford, Connecticut 06115

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KAMNA (NASDAQ)

Number of Employees:

1981	4,435	1978	3,725
1980	4,185	1977	3,346
1979	4,083		

Sales and Earnings

	Net Sales	Net Income
1981	$ 430,033,000	$ 9,019,000
1980	381,380,000	8,054,000
1979	325,649,000	7,373,000
1978	282,834,574	6,374,757
1977	214,280,617	5,442,954

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,402,000	$ 2.65
1980	3,345,000	2.41
1979	3,307,000	2.23
1978	3,118,000	2.04
1977	2,906,000	1.87

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenue By Line of Business

	1981 (000's)	%	1980 (000's)	%
Bearing & supply	$184,657	43%	$167,889	44%
Aerospace	84,637	20	62,162	16
Music	56,243	13	52,030	14
Aviation services	66,886	16	66,336	17
Sciences	37,610	8	32,963	9
Total	$430,333	100%	$381,380	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.627	—	3-for-2
1980	0.56	—	—
1979	0.533	—	—
1978	0.467	—	2-for-1
1977	0.383	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 70,041,000	$ 20.84
1980	62,357,000	18.86
1979	55,555,000	17.06
1978	49,697,589	15.38
1977	41,603,668 ‡	14.57

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31		1981		1980
Net sales	$	430,033,000	$	381,380,000
Cost of sales		324,873,000		288,735,000
Expenses		82,230,000		72,497,000
Oper. profit	$	22,930,000	$	20,148,000
Other income		738,000		892,000
Total	$	23,668,000	$	21,040,000
Interest expense		6,067,000		5,388,000
Income before taxes	$	17,601,000	$	15,652,000
Income taxes		8,582,000		7,598,000
Net Income	$	9,019,000	$	8,054,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,730,000 in 1981 and $2,393,000 in 1980.

Assets

As of Dec. 31		1981		1980
Cash	$	2,713,000	$	1,817,000
Accts. receiv., net		61,673,000		53,284,000
*Inventories		69,465,000		63,303,000
Prepaid expenses		1,088,000		875,000
Current Assets	$	134,939,000	$	119,279,000
#Fixed assets		18,304,000		18,577,000
§Leased equip. under cap. leases		1,984,000		2,209,000
Other assets		5,083,000		4,544,000
Total Assets	$	160,310,000	$	144,604,290

Liabilities

Curr. Liabilities	$ 50,785,000	$ 42,547,000
Long-term debt	34,403,000	35,573,000
Long-term oblig. under cap. leases	1,834,000	2,084,000
Deferred credits	3,247,000	2,048,000
+Common stock		
Class A	3,287,000	3,287,000
Class B	139,000	139,000
Add. paid-in capital	18,806,000	18,144,000
Retained earnings	48,403,000	41,480,000
Equity adjustment	(101,000)	—
Treasury stock	(493,000)	(693,000)
Total Liabilities & Shareholders' Equity	$ 160,310,000	$ 144,609,000

* Inventory of merchandise for resale and parts are stated at cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.09	4.10
%Net Income to Sales	2.10	2.11
%Net Income to Equity	12.88	12.92
Sales to Inventories	6.19	6.02
Working Capital	$84,154,000	$76,732,000
Current Ratio	2.66	2.80
Shareholders' Equity	$70,041,000	$62,357,000

Kearney National Inc.

200 Park Avenue
New York, New York 10166
(212) 972-9590

Officers: Bushrod W. Burns, Jr., chairman of the board; Richard A. Donovan, president & chief executive officer; Joseph L. Aurichio, v.p.-finance & administration, secretary & treasurer; James E. Coane, v.p.-operations, planning, & control; Robert W. Hendricks, v.p.; Guy E. Marge, v.p.-marketing; James F. Zboyovsky, v.p.; A. Dippolito, asst. secretary & asst. treasurer, staff v.p.

Directors: Bushrod W. Burns, Jr., chairman; Richard A. Donovan, Robert R. Dyson, Dante C. Fabiani, John C. Harding III, Franklin H. Kissner, Ralph L. Shapcott.

Areas of Work: Manufactures switching, connection, and protective products for the electrical power industry. Also produces flagpoles, lighting poles, magnetic coated tape for the computer and information processing industries. The Wabash Division manufactures conventional and molded electrical computer and information processing industries. The Wabash coils, transformers, high voltage power supplies, reed switches, reed and mercury relays and electrical and mechanical parts for the automobile market.

Divisions:

Kearney Division
1928 Montreal Road
Tucker, Georgia 30084

Kearney-National (Canada) Ltd.
430 Elizabeth Street
Guelph, Ontario N1H 6M4
Canada

Hapco Division
Hillman Highway
Abingdon, Virginia 24210

American Flagpole Division
1585-H Smithtown Avenue
Bohemia, New York 11716

Wabash, Inc.
200 East Daniels Road
Palatine, Illinois 60067

Wabash Tape Corporation
221 East Main Street
Huntley, Illinois 60141

Wabash Tape (Canada) Ltd.
3135 Universal Drive
Mississauga, Ontario L4X 2E6
Canada

Wabash Tape (U.K.) Ltd.
43 Redhills Road
South Woodham Ferrers
Chelmsford
Essex, England CM3 6JF

Wabash Magnetics Division
First & Webster Streets
Wabash, Indiana 46992

Wabash Relay & Electronics Division
First & Webster Streets
Wabash, Indiana 46992

International Products & Manufacturing, Inc.
200 East Daniels Road
Palatine, Illinois 60067

Transfer Agent(s):

St. Louis Union Trust Company
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KERN (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income
1980	$ 60,885,000	$ 2,791,000
1979	61,217,000	(1,107,000)
1978	56,652,000	561,000
1977	50,043,000	(1,447,000)
1976	47,191,000	2,215,000

	No. of Com. Shares	Earn. per Share
1980	2,217,668	$1.26
1979	2,217,168	—

(Loss)
+ Of continuing operations only.

Revenues By Line of Business

	1980	1979
Electrical power distr. equip.	$ 49,237,000	$ 50,808,000
Light poles, brackets & flagpoles	11,648,000	10,409,000
Total	$ 60,885,000	$ 61,217,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$ —	—	—
1979	—	—	—
1978	—	—	—
1977	0.40	—	—
1976	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 19,204,000	$8.66
1979	16,411,000	7.40

Income Account *
(000's)

Year ended Dec. 31	1980	1979
Net sales	$ 60,885	$ 61,217
Cost of sales	44,330	43,922
Expenses	11,220	11,969
Interest expense	1,126	1,009
Other income	(965)	(363)
Income before taxes	$ 5,174	$ 4,680
Income taxes	2,383	2,254
Income from cont. oper.	$ 2,791	$ 2,426
Loss from discont. oper.	—	(3,533)
Net Income (Loss)	$ 2,791	$ (1,107)

* Included in Costs and Expenses, Depreciation and Amortization: $737,000 in 1980 ad 734,000 in 1979.

Assets
(000's)

As of Dec. 31	1980	1979
Cash	$ 361	$ 1,597
Temp. cash invest.	7,360	4,000
Accts. receiv., net	9,904	12,742
* Inventories	8,806	12,861
Deferred inc. tax benefits	611	1,436
Prepaid expenses	128	92
Current Assets	$ 27,170	$ 32,728
# Fixed assets	6,986	9,340
Deferred inc. tax benefits	132	317
Defer. charges & other assets	1,219	489
Invest. in Wabash	16,518	—
Intangibles	3,026	3,028
Total Assets	$ 55,051	$ 45,902

Liabilities
(000's)

Long-term debt, curr.	$ 1,185	$ 1,283
Accts. payable	5,514	7,886
Accruals	4,425	5,515
Income taxes	1,325	610
Curr. Liabilities	$ 12,449	$ 15,294
Long-term debt	21,539	12,032
Retire. benefits	1,647	1,871
Other liab.	212	294
+ Common stock	1,109	1,109
Add. paid-in capital	8,890	8,888
Retained earnings	9,205	6,414
Total Liabilities & Shareholders' Equity	$ 55,051	$ 45,902

* At lower of cost or market; domestic inventories at LIFO, foreign at FIFO.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.50	—
%Net Income to Sales	4.58	—
%Net Income to Equity	14.53	—
Sales to Inventories	6.91	4.76
Working Capital	$ 14,721,000	$ 17,434,000
Current Ratio	2.18	2.14
Shareholders' Equity	$ 19,204,000	$ 16,411,000

Keithley Instruments, Inc.

28775 Aurora Road
Cleveland, Ohio 44139
(216) 248-0400

Officers: Joseph F. Keithley, chairman of the board; Jack W. Frazer, vice chairman & chief exec. officer; Thomas G. Brick, president & chief operating officer; Joseph P. Reedholm, v.p.-instruments; Terrence E. Sheridan, v.p.-radiation measurements; Gerald C. Heicman, v.p.-finance & treasurer; Mark A. Frohman, v.p.-human resources; Bruce Griswold, secretary; Ronald M. Rebner, v.p.-controller & treasurer.

Directors: Theodore M. Alfred, Donald M. Alstadt, Thomas C. Brick, Jack W. Frazer, Joseph F. Keithley, Hugh D. Luke, John L. Tormey, Thomas W. Martin, Bruce Griswold.

Areas of Work: The main product line consists of voltage, current and resistance measuring instruments; digital multimeters, electrometers, picoammeters, amplifiers and power supplies.

Divisions:

Radiation Measurements Division

Instrument Division

Systems Division
all at:
28775 Aurora Road
Cleveland, Ohio 44139
(216) 248-0400

Subsidiaries:

Keithley Instruments, SARL
2 bis Rue Leon Blum
B.P. 60
91121 Palaiseau Cedex
France

Keithley Instruments, BV
Leidsestraatweg 149
Postbus 1190
NL-Woerden
The Netherlands

Keithley Instruments, SA
Kriesbachstrasse 4
CH-8600 Dubendorf
Switzerland

Keithley Instruments, Ges.m.b.H.
Doblinger Hauptstrasse 32
A-1190 Vienna
Austria

Keithley Instruments, Ltd.
1 Boulton Road
Reading, Berks, England RG2 ONL

Keithley Instruments, GmbH
Heiglhofstrasse 5
D-8000 Munich 70, West Germany

Transfer Agent(s):

AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	467	1978	275
1980	477	1977	245
1979	404		

Plant Footage:

1981	82,600 sq. ft.	1978	61,000
1980	82,600	1977	61,000
1979	82,600		

Sales and Earnings ‡

	Net Sales	Net Income
1981	29,727,000	150,000
1980	27,810,000	1,257,000
1979	19,484,000	1,271,000
1978	13,955,000	790,000
1977	9,954,128	533,000

	No. of Com. Shares	Earn. per Share †
1981	714,920	0.21
1980	714,061	1.77
1979	704,690	1.85
1978	677,290	1.16
1977	677,150	0.79

† Based on the weighted average number of shares outstanding.

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.16	—	—
1980	0.16	—	—
1979	0.15	—	—
1978	0.14	—	—
1977	0.13	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 6,734,000	$ 9.42
1980	6,648,000	9.31

‡ Restated to reflect change in accounting method.

Income Account *

Year ended Sept. 30	1981	1980 ‡
Net sales	$ 29,727,000	$ 27,810,000
Cost of sales	14,966,000	13,944,000
Expenses	13,411,000	11,233,000
Interest expense	1,072,000	567,000
Income before taxes	$ 278,000	$ 2,066,000
Income taxes	128,000	809,000
Net Income	$ 150,000	$ 1,257,000

* Included in Costs and Expenses, Depreciation and Amortization: $747,000 in 1981 and $597,000 in 1980.

‡ Restated to reflect change in accounting method.

Assets

As of Sept. 30	1981	1980 ‡
Cash	$ 407,000	$ 1,522,000
Accts. receiv., net	5,299,000	4,963,000
Refund inc. taxes	790,000	—
* Inventories	7,776,000	6,970,000
Prepaid expenses	657,000	645,000
Current Assets	$ 14,929,000	$ 14,100,000
# Fixed assets	4,472,000	3,512,000
Funds for plant expansion	—	472,000
Total Assets	$ 19,401,000	$ 18,084,000

Liabilities

Short-term debt & long-term debt, curr.	$ 4,786,000	$ 2,240,000
Accts. payable	1,837,000	1,164,000
Accrued payroll	1,475,000	1,160,000
Accruals	899,000	532,000
Income taxes	381,000	1,271,000
Curr. Liabilities	$ 9,378,000	$ 6,897,000
Long-term debt	2,552,000	4,019,000
Deferred compensation	274,000	420,000
Deferred inc. taxes	463,000	100,000
+ Common stock	36,000	36,000
Add. paid-in capital	914,000	919,000
Retained earnings	5,886,000	5,850,000
Stock plan	(102,000)	(157,000)
Total Liabilities & Shareholders' Equity	$ 19,401,000	$ 18,084,000

‡ Restated to reflect change in accounting method.

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	0.94	7.43
%Net Income to Sales	0.50	4.52
%Net Income to Equity	2.23	18.91
Sales to Inventories	3.82	3.99
Working Capital	$5,551,000	$7,203,000
Current Ratio	1.59	2.04
Shareholders' Equity	$6,734,000	$6,648,000

Keltron Corporation

225 Crescent Street
Waltham, Massachusetts 02154
(617) 894-8700

Officers: David S. Wilbourn, chief executive officer & treasurer; Harvey M. Fox, president; Jack H. Calechman, clerk.

Directors: David S. Wilbourn, chairman; John A. Geisbecker, Jr., Harvey M. Fox, Jason Weisman.

Areas of Work: Manufactures and markets digital electronics, power supplies, security alarm systems, and printed circuit boards.

Divisions:

Circuit Service Company
1995 Middlesex Street
Lowell, Massachusetts 01852
(617) 452-1555

Elasco Power Supply
Manufactures transformers and other power supplies.

Transfer Agent(s):

State Street Bank and Trust Company
225 Franklin Street
Boston, Massachusetts 02101

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	230	1978	185
1980	250	1977	145
1979	220		

Plant Footage:

1981	90,000 sq. ft.	1978	68,000
1980	75,000	1977	68,000
1979	68,000		

Sales and Earnings

	Revenues	Net Income +
1981	$ 8,398,945	$ 32,066
1980	7,350,548	213,572
1979	6,196,358	271,931
1978	4,772,377	231,715
1977	3,923,292	199,000

	No. of Com. Shares	Earn. per Share ‡ +
1981	841,810	$ 0.04
1980	841,810	0.25
1979	841,810	0.32
1978	841,810	0.28
1977	841,810	0.22

‡ Based on weighted average number of common shares outstanding.

+ Including extraordinary credits of $8,100 ($0.01 per share) in 1981, $80,000 ($0.09 per share) in 1980 and $60,000 ($0.07 per share) in 1979.

Revenues By Line of Business

	1981	1980	1979	1978
Digital Instruments	26%	26%	31%	31%
Printed Circuits	10	10	19	24
Power supplies	64	64	50	45
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,668,706	$ 1.98
1980	1,636,640	1.94
1979	1,423,068	1.69
1978	1,151,137	1.37
1977	919,422	1.09

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 8,305,879	$ 7,225,333
Other income	93,086	125,215

Keltron Corporation

	1981	1980
Total income	$ 8,398,945	$ 7,350,548
Cost of sales	5,642,027	4,844,581
Expenses	1,963,127	1,698,862
Depreciation & amortization	343,472	323,958
Interest Expense	409,953	264,475
Income before taxes	$ 40,366	$ 218,672
Income taxes	16,400	85,100
Net Income	$ 23,966	$ 133,572
Extraord. credit	8,100	80,000
Net Income & extraord. credit	$ 32,066	$ 213,572

Assets

As of Dec. 31	1981	1980
Cash	$ 2,568	$ 42,552
Accts. receiv., net	1,583,089	1,560,556
*Inventories	1,986,319	1,845,467
Prepaid expenses	16,854	54,276
Current Assets	$ 3,588,830	$ 3,502,851
#Fixed assets	1,187,828	1,239,686
Other assets	57,344	82,665
Total Assets	$ 4,834,002	$ 4,825,202

Liabilities

	1981	1980
Notes payable	$ 1,077,744	$ 972,200
Long-term debt, curr.	306,929	332,710
Accts. payable	930,160	835,030
Accruals	146,536	166,878
Commissions payable	117,412	97,890
Income taxes	4,825	15,874
Curr. Liabilities	$ 2,583,606	$ 2,420,582
Long-term debt	581,690	767,980
+Common stock	8,418	8,418
Add. paid-in capital	423,222	423,222
Retained earnings	1,237,066	1,205,000
Total Liabilities & Shareholders' Equity	$ 4,834,002	$ 4,825,202

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	0.49	3.03
%Net Income to Revenues	0.29	1.85
%Net Income to Equity	1.44	8.16
Sales to Inventories	4.18	3.92
Working Capital	$1,005,224	$1,082,269
Current Ratio	1.39	1.45
Shareholders' Equity	$1,668,706	$1,636,640

Keuffel & Esser Company

20 Whippany Road
Morristown, New Jersey 07960
(201) 285-5000

Note: As of March 23, 1982, Keuffel & Esser Company was merged into KRATOS, Inc. as a wholly owned subsidiary.

Officers: Alfred E. Busch, chairman of the board; Thomas R. Nye, president & chief executive officer; vice presidents: Donald F. Bergerty-industrial relations, Jack W. Burton-sales & branch operations, Edward T. Grogan-Instrument Group, George S. Volpe-finance; Peter F. Willig, v.p. secretary & general counsel.

Directors: Alfred E. Busch*, chairman; William G. Keller, Richard W. KinMiller, Kenneth G. McKay, Thomas R. Nye*, William P. Orr, Philip A. Singleton, Coleman Burke, Robert K. Keller*.

*Member of Executive Committee.

Areas of Work: Designs, manufactures and markets a line of scientific and precision instruments; drafting equipment and supplies; diazo, photographic and xerographic imaging products; microfilm equipment and supplies; mapping materials; surveying and photogrammetric equipment and reproduction materials for the engineering surveying and graphic arts field, computer aided mapping and alignment systems, electronic and laser-based distance measuring systems.

Subsidiaries & Affiliates:

Rukuoh Keuffel & Esser K.K., Japan (50% owned)
J.K. Adams Company, Inc.
South Africa Keuffel & Esser
Keuffel & Esser G.m.b.H.
Keuffel & Esser International Sales Corporation
Keuffel & Esser International, S.A./N.V.
Industrias Coperema, S.A., de C.V.

Transfer Agent(s):

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07303

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KEUF (NASDAQ)

Number of Employees:

1981	1,960	1978	1,879
1980	1,965	1977	1,891
1979	2,071		

Plant Footage:

1981	528,000 sq. ft.	1978	400,000
1980	423,000	1977	400,000
1979	423,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 129,045,000	$ 5,125,000
1980	123,308,000	3,869,000
1979	111,766,000	3,111,000
1978	100,212,000	1,960,000
1977	91,393,000	962,000

	No.of Com. Shares	Earn. per Share +
1981	1,731,528	$ 2.98
1980	1,705,108	2.30
1979	1,657,156	1.82
1978	1,652,906	1.13
1977	1,652,781	0.53

+ Based on the average number of common shares and common share equivalents outstanding adjusted to refect stock split.

Revenues By Line of Business

	1981	1980
Engineering documentation	$ 99,520,000	$ 92,701,000
Instrumentation/ Mapping	29,525,000	30,607,000
Total	$ 129,045,000	$ 123,308,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.72	—	—
1980	0.68	—	5-for-4
1979	0.64	—	—
1978	0.64	—	—
1977	0.64	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 46,105,000	$ 26.67
1980	41,962,000	24.61
1979	38,672,000	23.34
1978	36,082,000	21.83
1977	35,271,000	21.34

‡ After allowing for preferred stock at stated value.
† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 129,045,000	$ 123,308,000
Cost of sales	82,008,000	80,849,000
Expenses	36,755,000	33,455,000
Minority interest	(257,000)	(157,000)
Interest expense	2,976,000	2,896,000
Other income	(997,000)	(109,000)
Income before taxes	$ 8,560,000	$ 6,374,000
Income taxes	3,435,000	2,505,000
Net Income	$ 5,125,000	$ 3,869,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,603,000 in 1981 and $2,264,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,476,000	$ 1,373,000
Accts. & notes receiv. net	22,553,000	23,704,000
*Inventories	39,626,000	33,765,000
Prepaid expenses	1,483,000	1,062,000
Current Assets	$ 65,138,000	$ 59,904,000
Investments & adv.	1,971,000	1,717,000
#Fixed assets	18,166,000	16,373,000
Other assets	1,105,000	619,000
Total Assets	$ 86,380,000	$ 78,613,000

Liabilities

	1981	1980
Long-term debt curr.	$ 167,000	$ 200,000
Accts. payable & accruals	15,764,000	14,549,000
Dividends payable	311,000	306,000
Income taxes	38,000	398,000
Curr. Liabilities	$ 16,280,000	$ 15,453,000
Long-term debt	20,518,000	18,814,000
Deferred inc.taxes	2,092,000	999,000
Oblig. under cap. leases	1,385,000	1,385,000
+Common stock	1,729,000	1,705,000
Add.paid-in capital	7,230,000	6,995,000
Retained earnings	37,146,000	33,262,000
Total Liabilities & Shareholders' Equity	$ 86,380,000	$ 78,613,000

* At lower of cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	6.63	5.17
%Net Income to Sales	3.97	3.14
%Net Income to Equity	11.12	9.22
Sales to Inventories	3.26	3.65
Working Capital	$48,858,000	$44,451,000
Current Ratio	4.00	3.88
Shareholders' Equity	$46,105,000	$41,962,000

Kevex Corporation

1101 Chess Drive
Foster City, California 94404
(415) 573-5866

Officers: Glenn T. Seaborg, chairman of the board; Richard S. Frankel, president & chief executive officer; Richard J. Cushing, Gary W. Kramer, John W. Colby, John M. Scott, Rolf Woldseth, vice presidents; Paul A. Baker, v.p. & secretary; Richard O. Faria, controller; Brian Skillicorn, mgr.-Kevex X-Ray Tube division.

Directors: Glenn T. Seaborg, chairman of the board; Richard S. Frankel, Richard J. Cushing, Gary W. Kramer, Clifford H. Higgerson, Stanley T. Lesser, W. Hunter Simpson.

Business Activities: The company designs, manufactures and markets analytical instruments known as X-Ray energy spectrometer (XES) systems which are used to determine the concentration of various chemical elements in organic and inorganic materials without altering or destroying the specimen being examined. The XES systems are used in the semiconductor industry to analyze thin films and coatings on silicon wafers. Other applications include medical research, industrial alloy analysis and bulk analysis of minerals, ores, oil and oil additives.

Divisions and Subsidiaries:

Getac, GmbH (19% owned)

Mainz-Finthen, West Germany

Transfer Agent(s):

Wells Fargo Bank, N.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KEVX (NASDAQ)

Number of Stores: (at fiscal year end)

1981 . . . . . . 275 1980 23

Sales and Earnings

	Net Sales	Net Income
1981	$ 19,808,000	$ 2,413,000
1980	17,004,000	2,071,000
1979	12,530,000	1,585,000
1978	7,875,000	744,000
1977	5,577,000	576,000

	No. of Com. Shares †	Earn. per Share ‡
1981	3,509,820	$ 0.66
1980	3,382,900	0.60
1979	2,534,000	0.60
1978	2,419,200	0.28

† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Microanalysis & bulk analysis lab. syst.	$ 12,806,000	$ 10,934,000
Dedicated industr. XRF syst.	4,810,000	3,661,000
Other prods. & serv.	2,192,000	2,409,000
Total	$ 19,808,000	$ 17,004,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	—
1979	—	—	16-for-1

Common Stock Equity

	Total Equity	Equity Per Share†
1981	$ 14,955,000	$ 4.26
1980	11,957,000	3.53
1979	3,946,000	1.56
1978	2,278,000	0.94

† Adjusted to reflect stock splits.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 19,807,613	$ 17,004,367
Cost of sales	8,664,659	7,346,471
Expenses	7,178,340	6,137,402
Other income	(709,943)	(498,744)
Interest expense	7,135	5,032
Income before taxes	$ 4,667,422	$ 4,014,206
Income taxes	2,254,723	1,943,061
Net Income	$ 2,412,699	$ 2,071,145

* Included in Costs and Expenses, Depreciation and Amortization: $596.259 in 1981 and $470,270 in 1980.

Assets

As of July 31	1981	1980
Cash	$ 86,422	$ 143,177
Short-term invest.	5,092,907	5,028,102
Accts. receiv., net	3,987,577	3,945,659
Deferred inc. tax benefits	613,893	508,355
Prepaid income taxes	—	96,476
* Inventories	4,471,378	2,556,242
Prepaid expenses	113,096	7,223
Current Assets	$ 14,365,273	$ 12,285,234
# Fixed assets	4,403,267	2,465,795
Invest. in affil. co.	8,302	8,302
Other assets	40,828	69,881
Total Assets	$ 18,817,670	$ 14,829,212

Liabilities

	1981	1980
Accts. payable	$ 1,190,070	$ 914,375
Income taxes payable	568,730	—
Fut. warranty costs	610,625	535,258
Accrued bonuses	142,000	510,000
Sales commissions	77,719	144,270
Other liabilities	161,004	60,075
Curr. Liabilities	$ 2,750,148	$ 2,163,978
Deferred inc. taxes	1,112,344	707,894
+ Common stock	35,098	16,915
Add. paid-in capital	6,820,865	6,236,898
Retained earnings	8,099,215	5,703,527
Total Liabilities & Shareholders' Equity	$ 18,817,670	$ 14,829,212

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	23.56	23.61
%Net Income to Sales	12.18	12.18
%Net Income to Equity	16.13	17.32
Sales to Inventories	4.43	6.65
Working Capital	$11,615,125	$10,121,256
Current Ratio	5.22	5.68
Shareholders' Equity	$14,955,178	$11,957,340

Kevlin Microwave Corporation

26 Conn Street
Woburn, Massachusetts 01801
(617) 935-4800

Officers: James S. Galbraith, chairman of the board & chief exec. officer; Ernest W. Lattanzi, president; John J. Moran, v.p. & clerk; Donald F. Brown, senior engineer.

Directors: Donald F. Brown, Ernest W. Lattanzi, John J. Moran, James S. Galbraith, chairman; David Harkins.

Areas of Work: Engaged in the production of R.F. rotary joints which are used to couple rotating radar antennas to stationary transmitters and receivers; also engaged in machine jobbing work.

Divisions:

Microwave Division
X-L Machine and Tool Division

KMC International, Inc. (DISC)

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1981 70

Plant Footage:

1981 . . . . . . 26,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 4,163,503	$ 297,736
1980	3,363,821	256,665
1979	3,104,504	225,426
1978	2,054,993	205,222
1977	1,602,065	73,129

	No. of Com. Shares #	Earn. per Share #
1981	789,326	$ 0.38
1980	784,257	0.33
1979	760,731	0.30
1978	696,840	0.29
1977	696,840	0.10

# Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 1,610,391	$ 2.04
1980	1,302,905	1.66
1979	1,035,725	1.36
1978	810,299	1.16
1977	604,953	0.87

# Based on the weighted average number of common shares outstanding.

Income Account *

Year ended May 31	1981	1980
Net sales	$ 4,163,503	$ 3,363,821
Cost of sales	2,857,748	2,308,121
Expenses	752,604	642,758
Emp. stock owner. plan	35,000	28,919
Claim settlement	35,000	—
Income before taxes	$ 483,151	$ 384,023
Income taxes	185,415	127,358
Net Income	$ 297,736	$ 256,665

* Included in Costs and Expenses, Depreciation: $89,168 in 1981 and $64,546 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 392,241	$ 58,695
Accts. receiv., net	478,940	600,483
Refund. inc. taxes	35,244	—
* Inventories	296,802	320,054
Exc. costs on uncomp. contracts	450,087	235,402
Prepaid expenses	30,031	36,231
Current Assets	$ 1,683,345	$ 1,250,865
#Fixed assets	579,141	544,511
Total Assets	$ 2,262,486	$ 1,795,376

Liabilities

	1981	1980
Accts. payable	$ 172,370	$ 170,736
Billings in exc. of costs on uncomp. cont.	4,394	16,819
Accruals	241,840	142,312
Income taxes	—	69,868
Deferred inc. taxes	176,662	59,207
Curr. Liabilities	$ 595,266	$ 458,942
Deferred income taxes	56,829	33,529
+Common stock	74,004	72,704
Add. paid-in capital	312,521	304,071
Capital arising from forgiveness of debt	130,894	130,894
Retained earnings	1,094,278	796,542
Treasury stock	(1,306)	(1,306)

Total Liabilities & Shareholders' Equity	$ 2,262,486	$ 1,795,376

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.60	26.58
%Net Income to Sales	7.15	7.63
%Net Income to Equity	18.49	19.70
Sales to Inventories	14.03	10.51
Working Capital	$1,088,079	$ 791,923
Current Ratio	2.83	2.73
Shareholders' Equity	$1,610,391	$1,302,905

Kidde, Inc.

(formerly Walter Kidde & Company, Inc.)

9 Brighton Road
Clifton, New Jersey 07015
(201) 777-6500

Officers: Fred R. Sullivan, chairman and president; Bernard N. Ames, vice chairman; S. Harrison Dogole, sr. vice president; Richard P. Barnitt, sr. v.p. & controller; David R. Ficca, sr. v.p. & secretary; John L. Kidde, Leonard T. Riccardo, Kenneth W. Watts, Robert L. Gable, Harvey S. Ekenstierna, Louis T. Tedeschi, Kevin M. Sheridan, John Klipper, Francis V. Lloyd, Hugh H. Shull, Jr., Charles L. Prothero, vice presidents; William B. McBride, vice president & treasurer; Agnes Marden, assistant secretary; Vincent S. DeLorenzo, Frank W. Reardon, assistant controllers; Thomas E. Grandell, asst. treasurer.

Directors: Fred R. Sullivan, chairman; Bernard N. Ames, John F. Kidde, Fred E. Braemer, James D. Moran, Carl W. Walter, Theron L. Marsh, Norman E. Alexander, Joseph F. McKinney, George T. Scharffenberger.

Areas of Work: Safety, security and protection products, including fire and intrusion protection equipment, vaults and locks, testing and engineering equipment and services, and security guard servies. Consumer and commercial products, including lighting fixtures and housewares, commercial fixtures and furnishings, consumer products and services. Industrial equipment including materials handling equipment, energy equipment, aircraft equipment, office supplies and equipment, sports and leisure products.

Divisions and Subsidiaries:

American Desk Manufacturing Company
P.O. Box 429
Temple, Texas 76501
(817) 773-1776

Arrow Lock Corporation
4900 Glenwood Road
Brooklyn, New York 11234
(212) 253-6500

Chatas Glass Company, Inc.
570 Broadlawn Terrace
Vineland, New Jersey 08360
(609) 691-5600

Ovenaire-Audio-Carpenter Divisions
706 Forrest Street
P.O. Box 1528
Charlottesville, Virginia 22901
(804) 977-8050

Grove Manufacturing (Canada) Ltd.
1051 Heritage Road
Burlington, Ontario, Canada I7L, 4Y1
(416) 335-3863

Craig Systems Corporation
360 Merrimack Street
Lawrence, Massachusetts 01842
(617) 688-6961

Daisy Manufacturing Company
211 South 8th Street
Rogers, Ark. 72756
(501) 363-1200

Farberware Division
1500 Bassett Avenue
Bronx, N.Y. 10461
(212) 863-8000

The Ertl Company
Dyersville, Iowa 52040
(319) 875-2461

Fenwal Incorporated
400 Main Street
Ashland, Massachusetts 01721
(617) 881-2000

Fenwal Controls of Japan, Ltd.
Tokyo, Japan

Garden State Tanning
215 Lexington Avenue
New York, New York 10016
(212) 679-8910

Kidde Automated Systems
835 Sharon Drive
Westlake, Ohio 44145
(216) 871-9900

Kidde Consultants, Inc
1020 Cromwell Bridge Road
Baltimore, Maryland 21204
(301) 321-5500

Globe Security Systems, Inc.
2503 Lombard Street
Philadelphia, Pennsylvania 19146
(215) 546-6900

Greenwald Industries Division
1340 Metropolitan Avenue
Brooklyn, New York 11237
(212) 456-6900

Grove Manufacturing Company
P.O. Box 21
Shady Grove, Pennsylvania 17256
(717) 597-8121

Halkey-Roberts Division
11600 9th St. No.
St. Petersburg, Florida 33702
(813) 577-1300

Houston Electronics Division
501 Pine Street Extension
Kane, Pennylvania 16735
(814) 837-9550

The Jade Corporation
3063 Philmont Avenue
Huntingdon Valley, Pennsylvania 19006
(215) 947-3333

Jacuzzi, Inc.
1 Financial Centre
Little Rock, Ark. 72211
(501) 225-3470

Walter Kidde Division
675 Main Street
Belleville, New Jersey 07109
(201) 759-5000

Walter Kidde & Company of Canada Limited
1224 Lawrence Avenue West
Toronto, Ontario, Canada M6A 1E3
(416) 781-6616

The Walter Kidde Company Limited
Belvue Road, Northolt
Middlesex, UB5 5WE England

Walter Kidde G.m.b.H
Luner Rennbahn 2
2120 Luneburg, Germany

Kidde Consumer Durables Corp
2 Bala Cynwyd Plaza
333 East City Line Avenue
Bala Cynwyd, Pennsylvania 19004
(212) 839-0450

LeFebure Corporation
308 29th Street, N.E.
Cedar Rapids, Iowa 52402
(319) 366-2771

McKinney Manufacturing Company
820 Davis Street
Scranton, Pennsylvania 18505
(717) 346-7551

New Jersey Office Supply Division
35 Melanie Lane
Whippany, New Jersey 07981
(201) 386-8900

Douglas Randall Division
6 Pawcatuck Avenue
Pawcatuck, Connecticut 02891
(203) 599-1750

Sargent & Company
100 Sargent Drive
New Haven, Connecticut 06509
(203) 562-2151

Toledo Commutator Co.
1101 South Chestnut Street
Owosso, Michigan 48867
(517) 725-8192

Tucker Housewares
345 Central Street
Leominster, Mass. 01453
(617) 537-1621

Weber Aircraft Division
2820 Ontario Street
Burbank, California 91510
(213) 849-1181

Sargent & Co.
100 Sargent Dr.
New Haven, Conn. 06511
(203) 562-2151

Svenska Skumslacknings Aktiebolaget
Box 32
Byggmastaregatan 1
S-44201 Kungalv, 1 Sweden

Victor Business Products
3900 North Rockwell Street
Chicago, Illinois 60618
(312) 539-8200

Bright Star Industries, Inc.
600 Getty Avenue
Clifton, New Jersey 07015
(201) 772-3200

Transfer Agent(s):

Chemical Bank
P.O. Box 25964
Church Street Station
New York, New York 10008

Midlantic National Bank
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): New York, Boston, Pacific

Ticker Symbol: KDE

Number of Employees:

1981	50,000	1978	47,000
1980	50,000	1977	43,000
1979	50,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$2,849,170,000	$ 99,213,000
1980	2,539,275,000	87,387,000
1979	2,284,146,000	84,100,000
1978	1,878,473,000	68,720,000
1977	1,475,018,000	56,731,000

	No. of Com. Shares †	Earn. per Share +
1981	19,427,620	$ 4.87
1980	19,046,754	4.30
1979	19,550,940	3.92
1978	20,150,612	3.06
1977	19,963,074	2.56

‡ Includes other revenues.
† Adjusted to reflect stock split.
+ Based on average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Industrial & commercial:		
Materials handling equipment	$ 632,901	$ 453,962
Business & commercial prods. & services	707,599	661,874
Safety, security & protection:		
Fire protection equip.	308,165	258,581
Security equip. & services	308,901	275,304
Consumer & Recreation:		
Lighting prods. & housewares	609,628	556,227
Sports & leisure prods.	191,907	142,417
Total cont. oper.	$ 2,759,101	$ 2,348,365
Discont. oper.	90,069	190,910
Total	$ 2,849,170	$ 2,539,275

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.025	—	2-for-1
1980	0.925	—	—
1979	0.825	—	—
1978	0.725	—	—
1977	0.625	—	—

† Adjusted to reflect stock split.

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$ 637,356,000	$ 32.81
1980	558,828,000	29.34
1979	503,752,000	25.77
1978	455,750,000	22.62
1977	412,681,000	20.67

† Restated to reflect change in accounting method to comply with FASB Statement No. 13 concerning capitalization of leases.

‡ After allowing for Series A (1977, 1978), Series B and Series C preference stock at liquidating values of $12, $90 and $90 per share respectively.

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,849,170	$ 2,539,275
Cost of sales	2,118,365	1,885,193
Expenses	495,712	449,443
Interest expense	71,057	62,204
Interest income	(6,883)	(7,167)
Other income	(2,379)	(3,666)
Income before taxes	$ 173,298	$ 153,268
Income taxes	74,085	65,881
Net Income	$ 99,213	$ 87,387

* Included in Costs and Expenses, Depreciation and Amortization: $48,347,000 in 1981 and $42,450,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & temp. invest.	$ 44,482	$ 31,500
Accts. receiv., net	496,228	425,008
*Inventories	700,419	602,476
Prepaid expenses	64,645	55,611
Current Assets	$ 1,305,774	$ 1,114,595
Investments	42,946	30,196
#Fixed assets	379,601	323,832
Other assets	26,233	22,236
Intangibles	122,357	116,247
Total Assets	$ 1,876,911	$ 1,607,106

Liabilities
(000's)

Notes payable	$ 162,703	$ 85,417
Long-term debt, curr.	12,827	21,800
Accts. payable & accruals	435,174	351,807
Income taxes	36,899	21,477
Curr. Liabilities	$ 647,603	$ 480,501
Long-term debt	405,913	379,282
Deferred inc. taxes & other credits	37,065	40,897
Deferred taxes & credit	58,047	47,702
+Preferred stock with mand. redemp.	25,237	29,983
+Preferred stock	729	776
: +Common stock	48,569	23,808
Add. paid-in capital	150,646	170,452
Retained earnings	503,102	433,705
Total Liabilities & Shareholders' Equity	$ 1,876,911	$ 1,607,106

‡ Restated.

* At lower of cost or market. Domestic inventories primarily at LIFO; remainder at FIFO.

# Less accumulated depreciation and amortization.

+ $1 par value; convertible cumulative.

+ + $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.08	6.04
%Net Income to Sales	3.48	3.44
%Net Income to Equity	14.11	13.90
Sales to Inventories	4.07	4.21
Working Capital	$658,171,000	$634,094,000
Current Ratio	2.02	2.32
Shareholders' Equity	$703,046,000	$628,741,000

King Radio Corporation

400 North Rogers Road
Olathe, Kansas 66062
(913) 782-0400

Officers: Edward J. King, Jr., chairman of the board; Robert T. Cox, president; vice presidents: R. Craig Christie-marketing, James Q. Kohler-materiel; Gary Burrell-engineering, James V. Stothard-intl. mktg., Robert S. Dunn-operations, C.J. Weltsch-finance & treas., B.L. Glover, Jr.-gen. aviation sales; Robert P. Lyons, secretary; Richard G.Johnson, asst. secretary.

Directors: Wayne S. Bonebright, R. Craig Christie, Robert T. Cox, Edward J. King, Jr., W.T. Noll, Peter B. Pond, C.J. Weltsch, Robert S. Dunn.

Areas of Work: Designs, manufactures and sells electronic communication, navigation and flight control systems, including communication transceivers, navigation receivers, distance measuring equipment, automatic direction finders, autopilots, flight directors, airborne radio telephones, air traffic control transponders, compass systems and weather radar systems.

Subsidiaries:

King Radio S.A.
P.O. B. No 6
80 Avenue Louis Casai
1216 Cointrin-Geneva
Switzerland

Transfer Agent(s):

United Missouri Bank of Kansas City, N.A.
Stock Transfer Department
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): American

Ticker Symbol: KRC

Number of Employees:

1981	3,000	1978	2,625
1980	2,850	1977	2,400
1979	3,000		

Plant Footage:

1981	562,500 sq. ft.	1978	288,000
1980	390,000	1977	288,000
1979	370,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 111,968,710	$ 7,574,053
1980	97,208,224	7,034,528
1979	98,872,569	9,728,032
1978	79,876,991	7,166,881
1977*	57,583,608	3,556,202

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,712,000	$ 2.79
1980	2,712,000	2.59
1979	2,704,000	3.60
1978	2,696,000	2.66
1977*	2,694,000	1.32

* 53 weeks.

‡ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1981	$0.51	—	—
1980	0.42	—	—
1979	0.34	—	—
1978	0.23	—	3-for-2
1977	0.17	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 51,478,441	$ 18.98
1980	45,287,622	16.70
1979	39,392,228	14.52
1978	30,491,871	11.30
1977	23,920,140	8.88

† Adjusted to reflect stock split.

Income Account *

Year ended	12/26/81	12/27/80
Net sales	$ 111,968,710	$ 97,208,224
Cost of sales	76,837,433	67,071,007
Expenses	22,306,037	17,749,690
Interest expense	423,903	287,169
Other income	(1,072,716)	(1,434,170)
Income before taxes	$ 13,474,053	$ 13,534,528
Income taxes	5,900,000	6,500,000
Net Income	$ 7,574,053	$ 7,034,528

* Included in Costs and Expenses, Depreciation and Amortization: $3,000,110 in 1981 and $2,540,725 in 1980.

Assets

As of	12/26/81	12/27/80
Cash	$ 2,505,702	$ 1,[illegible]32,572
Cert. of deposit	—	[illegible],000,000
Receiv., net	13,482,581	11,677,544
* Inventories	32,313,478	25,713,896
Deferred income tax benefit	3,844,547	2,015,500
Prepaid expenses	375,280	459,074
Current Assets	$ 52,521,588	$ 48,998,586
# Fixed assets	20,661,119	14,005,568
Other assets	443,520	475,097
Total Assets	$ 73,626,227	$ 63,479,251

King Radio Corporation

Liabilities

Long-term debt, curr.	$ 170,000	$ 165,000
Accts. payable	7,262,858	4,555,446
Accruals	491,247	434,568
Accrued payroll	2,381,208	1,893,868
Dividends payable	406,834	325,467
Income taxes	—	259,641
Warranties	3,999,000	3,501,000
Curr. Liabilities	$ 14,711,147	$ 11,134,990
Lease oblig.	4,125,000	4,295,000
Deferred inc. taxes	3,000,000	2,450,000
Deferred income	311,639	311,639
+ Common stock	813,667	813,667
Add. paid-in capital	3,452,223	3,452,223
Retained earnings	47,212,551	41,021,732
Total Liabilities & Shareholders' Equity	$ 73,626,227	$ 63,479,251

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.30 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.03	13.92
%Net Income to Sales	6.76	7.24
%Net Income to Equity	14.71	15.53
Sales to Inventories	3.47	3.78
Working Capital	$37,810,441	$37,863,596
Current Ratio	3.57	4.40
Shareholders' Equity	$51,478,441	$45,287,622

Knogo Corporation

100 Toc Street
Hicksville, New York 11801
(516) 822-4200

Officers: Arthur J. Minasy, president; James R. Dellomo, v.p.-finance & treasurer; Bruce P. Kennedy, v.p.-sales; Michael Cooper, v.p.-engineering; Michael Trentacosti, v.p.-operations; Fred Cicchetti, v.p.-field services; Karen Hatgis, asst. secretary.

Directors: Arthur J. Minasy, Eugene B. Novikoff, Bruce P. Kennedy, James R. Dellomo, Andre Mechelynck, Nicholas Nabokoff, William A. Perlmuth, Livio M. Borghese.

Areas of Work: Engaged in the development, manufacture and marketing of electronic pilferage detection systems for the retail industry, library and industrial products; electronic patient monitoring systems for nursing homes, hospitals and institutions.

Subsidiaries:

Knogo International Limited (DISC)
100 Tech Street
Hicksville, New York 11801

Knogo S.A.
Route de Wallonie
B-7420 Baudour (Mons)
Belgium

Knogo France S.A.
5 Rue Faustin Helie
75016 Paris
France

Knogo Scandinavia AB
Larsbergstorget 4
181 38 Lidingoe, Sweden

Knogo Italia Srl.
Piazzale Aquileia 6
20144 Milano
Italy

Knogo Deutschland GmbH
Rheinallee 109
6500 Mainz
West Germany

Knogo U.K.

Transfer Agent(s):
Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): American

Ticker Symbol: KNO

Number of Employees:

1981	379	1978	174
1980	350	1977	142
1979	200		

Plant Footage:

1981	70,000 sq. ft.	1978	31,000
1980	70,000	1977	25,000
1979	40,000		

Sales and Earnings ‡

	Revenues *	Net Income
1981	$ 13,681,700	$ (1,486,400)
1980	16,309,100	2,949,500
1979	10,656,000	1,613,100
1978	8,088,344	1,129,282
1977	5,768,742	754,874

	No. of Com. Shares +	Earn. per Share #
1981	3,977,514	$ —
1980	3,845,914	0.73
1979	3,599,962	0.59
1978	2,080,848	0.54
1977	2,080,848	0.36

(Loss)
‡ Restated to reflect the effects of corrections in the computations of costs of security devices and rentals and the treatment of certain of the leases as sales-type leases.
* Includes lease rentals and other income.
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 19,216,300	$ 4.83
1980	19,332,400	5.03
1979	14,505,100	4.03
1978	4,212,645	2.02
1977	3,083,363	1.48

‡ Restated.
† Adjusted to reflect stock split.

Income Account *

Year ended	2/28/81	2/29/80 ‡
Net sales & rentals	$ 12,681,000	$ 15,161,000
Other income	1,000,700	1,148,500
Total Income	$ 13,681,700	$ 16,309,100
Cost of sales	4,598,900	3,919,100
Expenses	9,172,700	7,064,500
Depreciation & amortization	1,422,400	872,300
Interest expense	544,900	85,900
For curr. trans.	587,200	(11,500)
Inc. (loss) bef. taxes	$ (2,644,400)	$ 4,378,800
Income taxes (cred.)	(1,158,000)	1,429,300
Net Income (Loss)	$ (1,486,400)	$ 2,949,500

‡ Restated.

Assets

As of	2/28/81	2/29/80 ‡
Cash	$ 650,000	$ 808,200
Cert. of deposit	—	2,780,000
Accts. receiv., net	7,262,000	5,145,200
Other receiv.	652,100	43,800
*Inventories	11,487,400	7,242,100
Prepaid expenses	167,800	208,500
Refund. inc. taxes	1,916,700	—
Investments in sales-type leases	3,982,000	4,943,900
#Fixed assets	3,219,700	3,013,100
Intangibles	1,094,900	418,200
Defer. charges	405,500	545,900
Total Assets	$ 30,838,100	$ 25,148,900

Liabilities

Notes payable	$ 7,358,500	$ 1,841,800
Accts. payable	505,000	380,300
Accruals	1,283,600	660,600
Income taxes	593,600	1,469,500
Deferred lease rentals	1,015,600	218,700
Deferred inc. taxes	865,500	1,245,600
+Common stock	39,800	19,200
Add. paid-in capital	15,029,400	12,359,700
Retained earnings	5,467,100	6,953,500
Unamort. deferred comp.	(1,320,000)	—
Total Liabilities & Shareholders' Equity	$ 30,838,100	$ 25,148,900

‡ Restated.
* At cost (FIFO) which is not in excess of replacement value.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	28.88
%Net Income to Revenues	—	19.45
%Net Income to Equity	—	15.26
Shareholders' Equity	$19,216,300	$19,332,400

Kollmorgen Corporation

Administrative Center:
60 Washington Street
Hartford, Connecticut 06106
(203) 547-0600

Management Center:
66 Gate House Road
Stamford, Connecticut 06902
(203) 327-7222

Officers: John D. Maxwell, chairman of the board; Robert L. Swiggett, president & chief executive officer; James K. Branch, president-Photo Research Division; James M. Brown, president-Macbeth Division; Peter N. Brush, director of corporate planning; R. Page Burr, sr. scientific officer; John Calpena, president-PMI Motors Division; Alan M. Doyle, Jr., sr. v.p. & treasurer; Karl A. Egerer, president-Kollmorgen Technologies Corporation; John Endoe, president-Photocircuits Division; Edwin M. Felske, v.p. & controller; Donald S. Fischer, v.p. & president-Multiwire Division; W.W. Griggs, president-Industrial Drives Division; Nick Hodgers, managing director-Inland Division, Kollmorgen (Ireland) Limited; Joseph R. Hoyt, president-Inland Motor Specialty Products Division; Robert G. Saner, president-Electro-Optical Division; William P. Sharpe, president-PCK Technology Division; George P. Stephan, v.p., general counsel & secretary; James E. Swiggett, v.p. & chairman-IntOp, Kollmorgen, (Ireland) & Artus Division Boards; Pierre Tardieu, president-Artus, S.A.; James P. Thompson, asst. treasurer; Herbert E. Torberg, v.p. & president-IntOp Division; Jack R. Waines, v.p. & chairman-Industrial Drives Division; Robert N. Williams, v.p. & chairman-Inland Motor Specialty Products Division.

Directors: John D. Maxwell*, chairman; Robert W. Bjork, W.D. Dance, Allan M. Doyle, Jr.*, Townsend Hornor, John D. Maxwell*, Charles A. Powers, Richard Rachals, Richard H. Stover, Robert L. Swiggett*.

* Member of the Executive Committee.

Areas of Work: Engaged in the development, manufacture and marketing of electronic interconnection boards, special direct current motor and control systems, color and photometry systems and equipment, and electro-optical systems.

Divisions and Subsidiaries:

Electro-Optical Division
347 King Street
Northampton, Massachusetts 01060
(413) 586-2330

Industrial Drives Division
201 Rock Road
Radford, Virginia 24141
(703) 639-2495

Inland Motors Specialty Products Division
501 First Street
Radford, Virginia 24141
(703) 639-3973

Photocircuits Division
31 Sea Cliff Avenue
Glen Cove, New York 11542
(516) 448-1000

Macbeth Division
P.O. Box 950
Newburgh, New York 12550
(914) 561-7300

PMI Motors Division
5 Aerial Way
Syosset, New York 11791
(516) 938-8000

Multiwire Division
Andrews Road
Hicksville, New York 11801
(516) 938-2000

PCK Technology Division
322 LIE South Service Road
Melville, New York 11747
(516) 454-4400

Photo Research Division
3000 North Hollywood Way
Burbank, California 91502
(213) 843-6100

Kollmorgen Technologies Corporation
Dallas, Texas

Kollmorgen International Sales Corporation
Wilmington, Delaware

Kollmorgen Overseas Development Corporation
Wilmington, Delaware

Societe Anonyme Artus
Angers, France

Kollmorgen A.G.
Zug, Switzerland

Kollmorgen (U.K.) Ltd.
Reading, England

Kollmorgen (Ireland) Limited
Ennis, Ireland

31 Sea Cliff Avenue Corporation
Glen Cove, New York

West Lane Properties, Inc.
Riverhead, New York

IntOp Division
Wallingford, Connecticut

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: KOL

Number of Employees:

1981	4,500	1978	3,000
1980	4,000	1977	2,700
1979	3,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 224,090,000	$ 11,334,000
1980	191,249,000	10,242,000
1979	154,517,000	9,825,000
1978	123,120,000	6,999,000
1977	97,330,000	5,584,000

	No. of Com. Shares #'	Earn. per Share †
1980	9,115,496	$ 1.30
1981	8,587,278	1.23
1979	8,087,073	1.21
1978	8,072,298	0.87
1977	8,065,263	0.69

Based on average number of shares outstanding adjusted to reflect stock dividends.
† Based on the weighted average number of common stock and common stock equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1980	1979
Electronic Interconnections	$ 89,267	$ 72,474
Motors & controls	81,360	77,590
Electro-optical instruments	53,463	41,185
Total	$ 224,090	$ 191,249

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.32	—	—
1980	0.27	50%	—
1979	0.21	100%	—
1978	0.17	—	—
1977	0.12	—	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 69,978,000	$ 8.20
1980	53,576,000	6.62
1979	45,271,000	5.61
1978	37,166,310	4.61
1977	28,266,962 +	3.91

+ After allowing for preferred stock at redemption value of $35 per share.
# Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 224,090	$ 191,249
Cost of sales	150,433	127,491
Expenses	54,991	46,945
Other expense	1,471	596
Income before taxes	$ 17,195	$ 16,217
Income taxes	5,861	5,975
Net Income	$ 11,334	$ 10,242

* Included in Costs and Expenses, Depreciation and Amortization: $7,356,000 in 1981 and $5,849,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term invest.	$ 6,776	$ 15,780
Receiv., net	40,062	37,259
Receiv. on contracts	4,944	1,985
*Inventories	30,598	30,929
Prepaid expenses	744	652
Current Assets	$ 83,124	$ 86,605
#Fixed assets	52,308	38,040
Other assets & intangibles	5,351	2,861
Total Assets	$ 140,783	$ 127,506

Liabilities
(000's)

Notes payable	$ 1,862	$ 1,433
Long-term debt, curr.	2,129	1,957
Accts. payable	15,207	14,629
Prog. pay. on contracts	315	5,454
Accruals	14,078	12,989
Income taxes	2,128	1,088
Deferred taxes	1,093	1,038
Curr. Liabilities	$ 36,812	$ 38,588
Long-term debt	28,474	31,969
Deferred credits	639	534
Deferred inc. taxes	4,880	2,839
+Common stock	21,343	20,229
Add. paid-in capital	8,235	1,633
Retained earnings	40,400	31,714
Total Liabilities & Shareholders' Equity	$ 140,783	$ 127,506

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.67	8.48
%Net Income to Sales	5.06	5.36
%Net Income to Equity	16.20	19.12
Sales to Inventories	4.43	6.18
Working Capital	$46,312,000	$48,017,000
Current Ratio	2.26	2.24
Shareholders' Equity	$69,978,000	$53,576,000

Koss Corporation

4129 N. Port Washington Avenue
Milwaukee, Wisconsin 53212
(414) 964-5000

Officers: John C. Koss, chairman of the board & chief executive officer; James D. Dodson, president & chief operating officer; David M. Thomas, v.p.-engineering; Ferril S. Stillson, v.p.-manufacturing; H. Frank Boock, v.p.-finance & administration & treasurer; Daniel W. Reep, v.p.-industrial relations; Dennis P. Wherry, v.p., secretary & corp. legal counsel; Robert C. Bukowsky, v.p.-marketing; James C. Johnston, v.p.-sales; Seamus O. Scollain, v.p.-European operations.

Directors: John C. Koss, chairman; Charles P. Steuber, James F. Fitzgerald, Lawrence S. Mattson, David B. Stevens, John H. Franz, James D. Dodson.

Areas of Work: Manufactures and markets stereophones, loudspeakers, digital synthesis equipment and related accessories including remote listening stations, connector boxes, extension cables and cords, and speaker/headphone transfer switches.

Subsidiaries:

Koss GmbH
6 Frankfurt/Main
Heddernheimer Landstrasse 155
West Germany

Koss S.a.r.l.
12 Rue du Puits Dixme
Orly Senia 525
94577 Rungis, France

Koss Limited
4112-4114 South Service Road
Burlington, Ontario, Canada

Koss Corporation

Koss B.V.
Corke-Abbey
Bray
County Dublin, Ireland

Koss U.K. Limited
114 Ashley Road
St. Albans, Hertfordshire, AL15JR
England

Calibron Corporation
600 Lake Emma Road
Lake Mary, Florida 32746

Transfer Agent(s):

First Wisconsin Trust Company
First Wisconsin Centre
Milwaukee, Wisconsin 53208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KOSS (NASDAQ)

Number of Stores: (at fiscal year end)

1981	385	1978	450
1980	350	1977	360
1979	350		

Plant Footage:

1981	236,000 sq. ft.	1978	200,000
1980	200,000	1977	200,000
1979	200,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 25,211,788	$ 2,310,041
1980	22,317,721	1,748,102
1979	25,017,241	1,020,629
1978	23,506,803	696,721
1977	17,973,659	1,176,720

	No. of Com. Shares ‡	Earn. per Share †
1981	2,403,203	$ 0.96
1980	2,499,728	0.70
1979	2,530,442	0.40
1978	2,515,203	0.28
1977	2,527,203	0.01

† Including extraordinary gain of $86,000 ($0.05 per share) in 1980.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1980	$0.18	5%	—
1979	0.17	—	—
1978	—	—	—
1977	—	—	—
1976	0.10	—	—

‡ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 10,847,609	$ 4.51
1980	8,799,475	3.52
1979	8,030,085	3.17
1978	6,908,966	2.75
1977	5,956,495	2.36

‡ Based on the weighted number of common shares and common equivalent shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 25,211,788	$ 22,317,721
Cost of sales	13,281,927	12,467,466
Expenses	8,072,944	6,795,697
Contrib. to emp. stock ownership trust	300,000	300,000
Interest expense	458,267	694,075
Income before taxes	$ 3,098,650	$ 2,060,483
Income taxes (credit)	788,609	398,381
Net Income	$ 2,310,041	$ 1,662,102
Extraord. gain	—	86,000
Net Income & extraord. gain	$ 2,310,041	$ 1,748,102

* Included in Costs and Expenses, Depreciation and Amortization: $683,198 in 1981 and $636,156 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 833,756	$ 749,466
Accts. receiv., net	5,860,372	4,493,143
*Inventories	6,160,040	6,097,381
Prepaid expenses	362,601	345,635
Income tax benefits	120,000	182,000
Refundable taxes	—	101,000
Current Assets	$ 13,336,769	$ 11,968,625
#Fixed assets	4,573,822	4,625,165
Other assets	259,654	220,350
Total Assets	$ 18,170,245	$ 16,814,140

Liabilities

Long-term debt, curr.	$ 326,175	$ 338,955
Accts. payable	2,122,276	1,260,589
Accruals	1,088,874	1,356,638
Income taxes	901,511	344,688
Curr. Liabilities	$ 4,438,836	$ 3,300,870
Long-term debt	2,643,800	4,473,795
Deferred inc. taxes	240,000	240,000
+Common stock	25,462	16,975
Add. paid-in capital	789,479	771,950
Retained earnings	10,448,232	8,568,647
Treasury stock	(415,564)	(558,097)
Total Liabilities & Shareholders' Equity	$ 18,170,245	$ 16,814,140

* At lower of cost (FIFO) or market. The company adopted the LIFO method, and this is reflected in the fourth quarter of 1980.

# Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.29	8.87
%Net Income to Sales	9.16	7.16
%Net Income to Equity	21.30	18.89
Sales to Inventories	4.09	3.66
Working Capital	$8,897,933	$8,667,755
Current Ratio	3.00	3.63
Shareholders' Equity	$10,847,609	$8,799,475

KRATOS, Inc.

3333 North Torrey Pines Court
La Jolla, California 92037
(714) 455-9020

Officers: C. Fredrick Sehnert, chairman of the board & chief executive officer; Gary D. Wrench, president & chief operating officer; Donald J. Quackenbush, v.p.-finance & chief financial officer; John D. Waldron, sr. v.p. & group executive; Richard A. Colt, v.p.-marketing; D. Gregg Marston, treasurer; David Gare, Malcolm R. Kahn, Roger L. Speare, H.W. Turney, vice presidents.

Directors: Thomas C. Barger, C. Fredrick Sehnert, James M. Burns, Richard A. Foster, William D. McElroy, John D. Waldron, Gary D. Wrench.

Areas of Work: Designs and manufactures electronic and electromechanical instruments, including pressure gauges, transducers, liquid level sensors, control devices, indicators and meters, computer graphic displays, flight simulation systems, and computerized data systems for research and process, mass spectrometers, electron spectroscopy, laboratory automation, electron microscopy.

Divisions:

KRATOS Aviation Products
403 South Raymond Avenue
Pasadena, California 91109
(213) 449-3090

Designs and manufactures electronic and electromechanical instruments, including pressure gauges, transducers, liquid level sensors, control devices, indicators and meters, and computer graphic displays.

KRATOS Analytical Instruments
24 Booker Street
Westwood, New Jersey 07675
(201) 664-7263

Manufactures detectors for liquid chromatography, monochromators, spectrodensitometers and electro-optical components.

KRATOS Display Systems Division
101 Cooper Court
Los Gatos, California 95030
(408) 395-3700

Subsidiaries:

KRATOS-Computer Systems
Walton Industrial Estate
Stone, Staffs, ST15 OLT
England

Designs and manufactures computerized automation systems for industrial plants and computerized data systems for research and process control laboratories.

KRATOS Analytical Instruments
Barton Dock Road, Urmston
Manchester, England M31 2LD

Designs and manufactures mass spectrometers, electron spectrometers, electron microscopy, x-ray diffraction, laboratory automation equipment.

KRATOS Scientific Instruments, Inc.
24 Booker Street
Westwood, New Jersey 07685

Designs and manufactures detectors for liquid chromatography, monochromators, spectro-densitometers, and electro-optical components.

KRATOS GmbH
Karlsburgstrasse 6
P.O. Box 410580
7500 Karlsruhe 41
West Germany

KRATOS S.A.
88/92 Rue Philippe de Girard
75018 Paris
France

Acquisition(s):

Keuffel & Esser Company (February 1982)
20 Whippany Road
Morristown, New Jersey 07960
(201) 285-5000

Transfer Agent(s):

Union Bank
3810 Wilshire Boulevard
Los Angeles, California 90010

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KTOS (NASDAQ)

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 51,096,000	$ 3,127,000
1980	55,804,000	3,196,000
1979	41,793,845	2,562,000
1978	31,368,493	1,922,000

	No. of Com. Shares	Earn. per Share #
1981	2,823,753	$ 1.10
1980	2,779,025	1.33
1979	2,123,688	1.17
1978	2,106,990	0.89

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning compensated absences.

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Analytical instruments	$ 26,414	$ 26,435
Aviation instruments	11,418	11,785
Computer display monitors	7,423	10,042
Laboratory & industrial computer syst.	4,818	7,245
Total	$ 50,073	$ 55,507

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-2
1979	—	—	2-for-1
1978	—	—	—
1977	—	10%	—

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1981	$ 27,232,000	$ 9.64
1980	24,759,000	8.91

‡ Restated.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 50,073,000	$ 55,507,000
Other Income	1,025,000	297,000
Total income	$ 51,098,000	$ 55,804,000
Cost of sales	30,618,000	35,406,000
Expenses	15,396,000	14,821,000
Interest expense	214,000	792,000
For. curr. trans.	(120,000)	239,000
Income before taxes	$ 4,990,000	$ 4,546,000
Income taxes	1,863,000	1,350,000
Net Income	$ 3,127,000	$ 3,196,000

* Included in Costs and Expenses, Depreciation and Amortization: $599,000 in 1981 and $469,000 in 1980.
‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 1,117,000	$ 251,000
Money mkt. invest.	6,991,000	6,116,000
Accts. receiv., net	10,957,000	10,639,000
*Inventories	12,732,000	15,353,000
Deferred inc. taxes	315,000	296,000
Prepaid expenses	394,000	442,000
Current Assets	$ 32,506,000	$ 33,097,000
#Fixed assets	2,579,000	2,250,000
Other Assets	4,004,000	3,910,000
Total Assets	$ 39,089,000	$ 39,257,000

Liabilities

	1981	1980 ‡
Long-term debt, curr.	$ 143,000	$ 181,000
Accts. payable	3,532,000	4,944,000
Accruals	4,768,000	5,731,000
Income taxes	1,262,000	651,000
Deposits & unearned inc.	1,060,000	1,309,000
Short-term debt	298,000	661,000
Curr. Liabilities	$ 11,063,000	$ 13,477,000
Long-term debt	545,000	852,000
Deferred inc. taxes	249,000	—
+ Common stock	15,216,000	14,961,000
Add. paid-in capital	72,000	72,000
Retained earnings	12,602,000	9,475,000
Eq. adjust. from for. curr. trans.	(658,000)	420,000
Total Liabilities & Shareholders' Equity	$ 39,089,000	$ 39,257,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	9.97	8.19
%Net Income to Sales	6.24	5.76
%Net Income to Equity	11.48	12.82
Sales to Inventories	3.93	3.62
Working Capital	$21,443,000	$19,620,000
Current Ratio	2.94	2.46
Shareholders' Equity	$27,232,000	$24,928,000

Kulicke and Soffa Industries, Inc.

507 Prudential Road
Horsham, Pennsylvania 19044
(215) 674-2800

Officers: C. Scott Kulicke, president; Daniel Vilenski, sr. v.p.; Martin Weiss, sr. v.p. & treasurer; Manuel M. Bycer, Dan Kahan, Curtis Zern, Thomas C. Reid, Francis Nguyen, Larry Maltin, v.p.'s; Ruth W. Kulicke, secretary.

Directors: Albert Soffa, chairman of the board; Frederick W. Kulicke, Jr., Allison F. Page, William Shapiro, Thomas J. Matcovich, C. Scott Kulicke, Joseph S. Rambo.

Areas of Work: Produces semiconductor manufacturing and assembly equipment, ranging from manual to computer controlled fully automatic and wire and die bonders and microtools.

Divisions:

Semiconductor Machinery Division
  Automatic Bonder Group
  Standard Products Group
  Micro-Swiss Group
all at: Horsham, Pennsylvania

Kulicke and Soffa Industries, Inc.
2210 Martin Avenue
Santa Clara, California 95050

Subsidiaries:

Kulso, Ltd.
P.O. Box 875
Haifa, Israel

Kulicke and Soffa, A.G.
Baarerstrasse 8
CH-6300
Zug, Switzerland

Kulicke and Soffa (Asia), Ltd.
Fook Cheung Building
63 Hoi Yuen Road
Kwun Tong, Hong Kong

Kulicke and Soffa, (U.K.) Ltd.
13 New Road
Light Industrial Estate
New Haven, Sussex, England

Kulicke and Soffa Industries, Inc.
2210 Martin Avenue
Santa Clara, California 95050
(408) 727-5040

Robotiks, Inc.
507 Prudential Road
Horsham, Pennsylvania 19044
(215) 674-2800

Kulicke and Soffa (Japan) Ltd.
Mori Building # 28
16-13, 4-Chome
Nishi-Azabu Minato-Ku
Tokyo, Japan

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLIC (NASDAQ)

Number of Employees:

1981	1,055	1978	528
1980	1,017	1977	412
1979	803		

Plant Footage:

1981	144,000 sq. ft.	1979	144,000
1980	144,000	1978	105,000

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 40,037,000	$ 2,454,000
1980	49,780,000	7,959,000
1979	36,308,000	6,070,000
1978	17,846,000	2,311,000
1977	14,861,000	2,007,000

	No. of Com. Shares #	Earn. per Share ‡#
1981	3,623,900	$ 0.68
1980	3,503,732	2.27
1979	2,761,004	2.20
1978	2,735,352	0.85
1977	2,721,399	0.74

‡ Including extraordinary gain of $730,000 ($0.53 per share) in 1977.
# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.16	—	—
1980	0.15	—	2-for-1
1979	0.375	—	3-for-2
1978	0.85	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 31,614,000	$ 8.64
1980	29,475,000	8.21
1979	15,290,000	5.53
1978	9,321,000	3.38
1977	7,198,000	2.65

# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 40,037,000	$ 49,780,000
Cost of sales	17,440,000	20,878,000
Expenses	19,326,000	14,910,000
Depreciation & amortization	825,000	657,000
Interest income	(1,756,000)	(1,057,000)
Income before taxes	$ 4,202,000	$ 14,392,000
Income taxes	1,748,000	6,433,000
Net Income	$ 2,454,000	$ 7,959,000

Assets

As of Sept. 30	1981	1980
Cash	$ 1,373,000	$ 2,309,000
Time deposits	662,000	619,000
Restricted cash	1,330,000	919,000
Investments	13,674,000	12,815,000
Accts. & notes receiv. net	8,125,000	9,422,000
*Inventories	10,752,000	9,858,000
Prepaid expenses & other assets	483,000	686,000
Prepaid inc. taxes	1,495,000	285,000
Current Assets	$ 37,894,000	$ 36,913,000
#Fixed assets	4,938,000	4,732,000
Compulsory gov't. bonds	393,000	393,000
Loans to officers	128,000	136,000
Total Assets	$ 43,353,000	$ 42,174,000

Kulicke and Soffa Industries, Inc.

Liabilities

Long-term debt, curr.	$ 1,499,000	$ 1,365,000
Accts. payable	2,270,000	2,123,000
Dividends payable	146,000	135,000
Accruals	3,097,000	3,155,000
Income taxes	205,000	1,813,000
Curr. Liabilities	$ 7,217,000	$ 8,591,000
Long-term debt	1,655,000	1,770,000
Other liabilities	238,000	238,000
Deferred inc. taxes	2,629,000	2,100,000
+Common stock	10,062,000	9,797,000
Add. paid-in capital	88,000	88,000
Retained earnings	21,464,000	19,590,000
Total Liabilities & Shareholders' Equity	$ 43,353,000	$ 42,174,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.50	28.91
%Net Income to Sales	6.13	15.99
%Net Income to Equity	7.76	27.00
Sales to Inventories	3.72	5.05
Working Capital	$30,677,000	$28,322,000
Current Ratio	5.25	4.30
Shareholders' Equity	$31,614,000	$29,475,000

Kustom Electronics, Inc.

(34.8% owned by Van Enterprises, Inc.)

8320 Nieman Road
Shawnee Mission, Kansas 66214
(913) 492-1400

Officers: Cecil L. Van Tuyl, chairman of the board; Warren J. Hess, vice chairman, president & chief executive officer.

Directors: John Aker, Lyle P. Phillips, Cecil L. Van Tuyl, Robert W. McFadden, J. Wesley St. Clair, F.L. Thompson.

Areas of Work: Engaged in three principal lines of business: traffic radar systems; communications consoles and mobile terminals; and avionics testing equipment. Products serve law enforcement agencies and mobile computer terminal businesses.

Divisions and Subsidiaries:

Kustom Promotions, Inc.
Kustoms,Signals, Inc.
Kustom Recreational Equipment, Inc.
Kustom Data Communications, Inc.

Transfer Agent(s):

United Missouri Bank of Kansas City
10th and Grand
Kansas City, Missouri 64106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KUST (NASDAQ)

Number of Employees:

1981	200	1979	203
1980	200		

Plant Footage:

1981	66,000 sq. ft.	1979	53,000
1980	53,000		

Sales and Earnings

	Net Sales ‡ †	Net Income
1981	$ 7,502,780	$ (1,405,293)
1980	7,443,694	(703,356)
1979	7,706,936	(1,409,298)
1978	9,254,725	346,000
1977	4,101,542	487,000

	No. of Com. Shares #	Earn. per Share #
1981	1,298,871	$ —
1980	1,282,371	—
1979	1,282,371	—
1978	1,278,621	0.27
1977	1,272,101	0.38

(Loss)
‡ Includes other revenues.
† Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Radar units	$ 4,436,000	$ 3,490,000
Avionics	2,006,000	2,093,000
Communications	1,061,000	1,861,000
Total	$ 7,503,000	$ 7,264,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 422,535	$ 0.33
1980	1,799,140	1.40
1979	2,502,496	1.95
1978	3,971,794	3.11
1977	4,019,275	3.16

Income Account

Year ended Sept. 30	1981	1980
Net sales & other revenues	$ 7,502,780	$ 7,443,694
Cost of sales	5,068,466	4,862,241
Expenses	3,101,911	2,822,298
Interest expense	737,696	562,135
Gain on land sale	—	(99,624)
Net Loss	$ (1,405,293)	$ (703,356)

Assets

As of Sept. 30	1981	1980
Cash	$ 10,654	$ 172,812
Accts. receiv., net	2,054,595	2,089,107
*Inventories	2,681,756	2,783,887
Prepaid expenses	41,525	34,095
Excess costs on uncompleted contracts	123,713	176,317
Current Assets	$ 4,912,243	$ 5,256,218
#Fixed assets	836,931	942,007
Deposits & other assets	399,125	133,325
Total Assets	$ 6,148,299	$ 6,331,550

Liabilities

Note payable	$ 781,930	$ —
Long-term debt, curr.	1,707,317	612,392
Accts. payable	919,147	542,344
Accruals	1,285,222	530,924
Excess billings on uncompleted contracts	—	8,201
Curr. Liabilities	$ 4,693,646	$ 1,693,861
Long-term debt	1,032,118	2,838,549
+Common Stock	131,236	131,236
Add. paid-in capital	1,769,554	1,768,751
Retained earnings (deficit)	(1,455,456)	(50,163)
Treasury stock	(22,799)	(50,684)
Total Liabilities & Shareholders' Equity	$ 6,148,299	$ 6,331,550

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Working Capital	$218,597	$3,562,357
Current Ratio	1.05	3.10
Shareholders' Equity	$422,535	$1,799,140

LaBarge, Inc.

707 North Second Street
St. Louis, Missouri 63178
(314) 231-3400

Officers: Pierre L. LaBarge, Jr., chairman of the board, president & chief executive officer; Edward J. Nestor, Jr., exec. v.p.-finance & treasurer; Robert H. LaBarge, Eugene L. LaBarge, Craig E. LaBarge, Pierre L. LaBarge, III, vice presidents; Thomas B. Martin, secretary & general counsel; Gerard F. Salisbury, controller & asst. treasurer; Ted J. Rabior, asst. secretary.

Directors: Pierre L. LaBarge, Jr., Gus G. Casten, Richard P. Conerly, Gilbert R. Whitaker, Jr., Edward J. Nestor, Jr., Richard A. Meyer, Peter Davis, R. Hal Dean, Craig E. LaBarge.

Areas of Work: Telemetry components, telemetry subsystems and systems, ordnance electronics, specialized cables and harnesses, flexible printed circuits, transmitters and receivers, power supplies, DC to DC converters, crystal filters, command control systems, molded launcher cables, flame resistant wire, non-flammable electrical wire, digital data transmission systems, digital data accumulation systems, specialized test equipment, emergency engress equipment, multi-conductor cables, prestressed bridge members, precast concrete pipe, precast concrete utility vaults, heavy wall pipe and tubing, seamless and welded steel pipe, continuous weld steel pipe, pressure tubing and special pipe and tube processing, custom rolled and welded pipe.

Divisions and Subsidiaries:

Tubular Division
20 S. 4th Street
St. Louis, Missouri 63102
(314) 231-3400

LaBarge Electronics Division
707 N. Second Street
St. Louis, Missouri 63102
(314) 231-3400

LaBarge Concrete Products Division
20 S. 4th Street
St. Louis, Missouri 63102
(314) 231-3400

Transfer Agent(s):

Mercantile Trust Company
Drawer 321
St. Louis, Missouri 63166

Stock Exchange(s): American

Ticker Symbol: LB

Number of Employees:

1981	1,500	1978	1,025
1980	1,100	1977	950
1979	1,054		

Plant Footage:

1981	450,000 sq. ft.	1978	469,670
1980	385,670	1977	469,670
1979	469,670		

Sales and Earnings

	Net Sales	Net Income
1981	$ 124,836,809	$ 2,806,445
1980	100,028,621	2,204,367
1979	80,330,569	1,099,796
1978	72,411,078	798,142
1977	61,394,941	1,088,641

	No. of Com. Shares	Earn. per Share #
1981	6,776,544	$ 0.41
1980	6,771,346	0.33
1979	6,770,690	0.16
1978	6,876,831	0.12
1977	6,937,130	0.16

Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Tubular	$ 76,337,000	$ 58,663,000
Electronics	39,797,000	31,253,000
Concrete products	7,023,000	8,063,000

Medical products	1,386,000	2,090,000
Other	294,000	—
Total	$ 124,837,000	$ 100,029,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.06	—	—
1980	0.06	—	—
1979	0.06	—	—
1978	0.06	—	—
1977	0.06	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 26,659,549	$ 3.93
1980	24,220,553	3.58

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 124,836,809	$ 100,028,621
Cost of sales	104,078,631	83,040,874
Expenses	13,975,681	11,896,046
Interest expense	1,946,052	1,237,334
Income before taxes	$ 4,836,445	$ 3,854,367
Income taxes	2,030,000	1,650,000
Net Income	$ 2,806,445	$ 2,204,367

* Included in Costs and Expenses, Depreciation and Amortization: $1,389,475 in 1981 and $1,251,831 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 1,579,480	$ 943,133
Accts. receiv., net	14,941,412	14,174,898
*Inventories	28,279,079	20,208,997
Prepaid expenses	497,584	514,890
Fed. inc. tax benefit	—	836,537
Plant facility for sale	307,000	[illegible]53,000
Current Assets	$ 45,604,555	$ 36,999,455
#Fixed assets	12,135,239	10,624,811
Defer. charges & patents	28,605	44,278
Total Assets	$ 57,768,399	$ 47,668,544

Liabilities

	1981	1980 ‡
Notes payable	$ 11,349,687	$ 8,000,000
Long-term debt, curr.	2,473,935	336,236
Accts. payable	10,362,344	6,832,865
Accruals	863,642	719,140
Employee compensation	1,854,693	1,361,889
Income taxes	310,187	1,055,346
Other taxes	353,312	295,691
Curr. Liabilities	$ 27,567,730	$ 18,601,167
Long-term debt	2,651,150	4,362,824
Deferred inc. taxes	890,000	484,000
+Common stock	1,777,777	1,776,477
Add. paid-in capital	1,964,532	1,926,845
Retained earnings	23,800,089	21,400,080
Treasury stock	(882,849)	(882,849)
Total Liabilities	$ 57,768,399	$ 47,668,544

‡ Restated.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.87	3.85
%Net Income to Sales	2.25	2.20
%Net Income to Equity	10.53	9.10
Sales to Inventories	4.41	4.95
Working Capital	$18,036,855	$18,398,288
Current Ratio	1.65	1.99
Shareholders' Equity	$26,659,549	$24,220,553

LaPointe Industries, Inc.

155 West Main Street
Rockville, Connecticut 06066
(203) 872-8581

Officers: Frank J. Kelley, III, chairman of the board & chief executive officer; Albert E. Wasserman, vice chairman of the board; Jack Lopes, president; Salvatore K. Canistraro, treasurer; Shirley M. Milnes, v.p. - administration & asst. secretary; Kenneth P. Griffin, secretary.

Directors: Frank J. Kelley, III*, chairman of the board and chairman of the executive committee; Albert E. Wasserman*, vice chairman; Jack Lopes*, Bruce Chandler, Dale V. Dinsmore, Bert G. Kerstetter.

* Member of the Executive Committee.

Areas of Work: The company manufactures complete electronic systems; electronic spare parts in sub-assembly form; printed circuit boards; circuit board assemblies; air variable capacitors which are used as frequency tuning devices in high stability oscillators and in radio receivers and transmitters; and air traffic control towers.

Transfer Agent(s):
Hartford National Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): American

Ticker Symbol: LPI

Sales and Earnings #

	Net Sales	Net Income †
1981	$ 6,184,000	$ (261,000)
1980	7,946,000	(1,131,000)
1979	9,120,000	270,000
1978	13,442,000	(2 017,000)
1977	10,111,000	525,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1981	693,108	$ —
1980	693,108	—
1979	693,108	0.39
1978	693,108	—
1977	748,124	0.70

(Loss)
# Restated to reflect the utilization of a subsidiary company's preacquisition net operating loss.
† Including extraordinary gains of $61,000 ($0.09 per share) in 1981, $111,000 ($0.16 per share) in 1979 and $92,000 ($0.12 per share) in 1977.
‡ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Electronic eqpt for compon.	$ 5,804,542	$ 6,008,269
Air traffic control towers	379,498	[illegible]
Total	$ 6,184,040	$ [illegible]

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	—	—	—
1978	0.15	—	—
1977	0.225	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 2,728,020	$ 3.94
1980	3,041,156	4.39

‡ Restated to reflect change in accounting method.

Income Account *

Year ended June 30	1981	1980 ‡
Net sales	$ 6,184,040	$ 7,945,629
Cost of sales	4,673,482	7,420,121
Expenses	1,506,109	1,655,235
Other income	(1,164,964)	(286,163)
Other expenses	1,008,683	528,710
Income (loss) before taxes	$ 160,730	$ (1,372,274)
Income taxes (credit)	482,966	(241,012)
Net Loss	$ (322,236)	$ (1,131,262)
Extraord. gain	61,100	—
Net Loss & Extraord. Gain	$ (261,136)	$ (1,131,262

* Included in Costs and Expenses, Depreciation and Amortization: $341,336 in 1981 and $403,589 in 1980.
‡ Restated to reflect change in accounting method.

Assets

As of June 30	1981	1980 ‡
Cash	$ 180,911	$ 455,583
Accts. receiv., net	1,042,907	1,274,382
Refundable taxes	—	220,000
*Inventories	2,278,048	2,305,373
Prepaid expenses	20,953	70,054
Current Assets	$ 3,522,819	$ 4,325,392
#Fixed assets	1,019,413	1,336,240
Other assets & intangibles	—	1,211,930
Total Assets	$ 4,542,232	$ 6,873,562

Liabilities

	1981	1980 ‡
Long-term debt curr.	$ 60,000	$ 234,396
Accts. payable	467,711	819,378
Accrued interest	52,433	95,662
Other accruals	149,193	184,804
Dividends payable	52,000	—
Income taxes	48,375	72,604
Curr. Liabilities	$ 829,712	$ 1,406,844
Long-term debt	120,000	1,653,583
Minority interest	650,000	771,979
Deferred inc. taxes	214,500	—
+Common stock	885,788	885,788
Add. paid-in capital	187,186	187,186
Retained earnings	2,882,914	3,196,050
Treasury stock	(1,227,868)	(1,227,868)
Total Liabilities & Shareholders' Equity	$ 4,542,232	$ 6,873,562

‡ Restated to reflect change in accounting method.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	2.71	3.45
Working Capital	$2,693,107	$2,918,548
Current Ratio	4.25	3.07
Shareholders' Equity	$2,728,020	$3,041,156

Lanier Business Products, Inc.

1700 Chantilly Drive, N.E.
Atlanta, Georgia 30324
(404) 329-8000

Lanier Business Products, Inc.

Officers: Gene W. Milner, chairman of the board & chief executive officer; Wesley E. Cantrell, president & chief operating officer; Tony E. Amason, James D. Bigner, James W. Bishop, Charles H. Drew, Harold Murphey, Paul W. Neff, William N. Simpson, Howard S. Wood, vice presidents; Richard C. Benton, v.p.-international; F.C. Bolick, Jr., exec. v.p.-technical; W.R. Campbell, v.p., secretary-treasurer & chief financial officer; George L. DeBenedetto, executive v.p.-marketing; John L. Faucette, controller, asst. secretary & chief accounting officer; Thomas W. Freeman.

Directors: Gene W. Milner, chairman; Wesley E. Cantrell, F.C. Bolick, Jr., George L. DeBenedetto, Bradley Hale, Cecil H. Herline, Sr., Clifford M. Kirtland, Jr., J. Hicks Lanier, J. Reese Lanier, Sartain Lanier, Wilton D. Looney, Carl J. Reith, Augustus H. Sterne.

Areas of Work: Manufactures word processing and related software; telephone answering equipment; microcassette dictation units and central dictation systems; electronic typewriters and high speed letter printers.

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): New York

Ticker Symbol: LBP

Sales and Earnings

	Revenues	Net Income
1981	$ 303,110,000	$ 25,536,000
1980	253,166,000	17,380,000
1979	183,513,000	13,676,000
1978	130,338,000	9,076,000
1977	91,204,000	6,725,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	15,483,936	$ 1.70
1980	14,761,782	1.18
1979	14,559,078	0.94
1978	12,707,298	0.71
1977	12,634,124	0.53

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Word processing equip.	$ 213,317,000	$ 179,594,000
Other bus. equip.	39,891,000	36,131,000
Prod. servicing	45,033,000	33,207,000
Finance charges	4,869,000	4,234,000
Total	$ 303,110,000	$ 253,166,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.265	—	2-for-1
1980	0.207	—	—
1979	0.158	—	3-for-2
1978	0.134	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 95,685,000	$ 6.18
1980	73,992,000	5.01
1979	59,442,000	4.08
1978	32,538,000	2.56
1977	25,116,000	1.99

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	5/29/81	5/30/80
Revenues	$ 303,110	$ 253,166
Cost of sales	110,671	97,570
Expenses	144,797	114,440
Interest expense	2,418	2,859
Interest income	(2,428)	—
Income before taxes	$ 47,652	$ 38,297
Income taxes	23,112	19,252
Equity in AES Data Ltd.	(996)	1,665
Net Income	$ 25,536	$ 17,380

* Included in Costs and Expenses, Depreciation and Amortization: $6,829,000 in 1981 and $4,838,000 in 1980.

Assets
(000's)

As of	5/29/81	5/30/80
Cash	$ 3,343	$ 4,558
Short-term invest.	19,547	—
Accts. receiv., net	102,591	78,646
*Inventories	58,099	51,295
Prepaid expenses	425	483
Current Assets	$ 184,005	$ 134,982
Invest. in assets of AES	1,590	594
‡Rental equipment	11,268	8,240
#Fixed assets	13,323	6,495
Other assets	2,471	578
Total Assets	$ 212,657	$ 150,889

Liabilities
(000's)

	5/29/81	5/30/80
Notes payable	$ —	$ 11,001
Long-term debt & cap. lease oblig., curr.	489	307
Accts. payable	6,548	6,079
Accrued compens.	14,341	7,875
Other accruals	12,385	12,344
Unearned leasing inc.	9,185	6,081
Unearned inc.-serv. contr.	25,812	18,442
Curr. Liabilities	$ 80,025	$ 70,623
Long-term debt & cap. lease oblig.	6,947	6,274
Convert. subord. 8¾% deben.	30,000	—
+ Common stock	7,417	7,408
Add. paid-in capital	16,664	16,588
Retained earnings	71,604	49,998
Total Liabilities & Shareholders' Equity	$ 212,657	$ 150,889

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	15.72	15.13
%Net Income to Revenues	8.42	6.87
%Net Income to Revenues	26.69	23.49
Working Capital	$103,980,000	$64,359,000
Current Ratio	2.30	1.91
Shareholders' Equity	$ 95,685,000	$73,992,000

Lear Siegler, Inc.

3171 South Bundy Drive
Santa Monica, California 90406
(213) 391-7211

Officers: Robert T. Campion, chairman of the board & president; K. Robert Hahn, exec. v.p.; David M. Diltz, sr. v.p.-human resources; Charles F. Pitts, sr. v.p.-administration; James N. Thayer, sr. v.p.-finance & secretary; James V. Bisner, sr. v.p.-Aerospace/Electronics Operations; John C. Peppler, sr. v.p.-Royal Operations; Donald A. Long, v.p.-Automotive/Agricultural Group; David J. Looks, v.p. & controller; William M. O'Hern,.v.p.-public relations & advertising; Walter J. Kruel, v.p.-corp. planning & development; Robert U. Grant, v.p.-management services; Howell V. Perryman, v.p.-industrial relations; Ronald V. Paolucci, v.p.-Electronics Group; Kenneth A. Ruck, v.p.-Automotive Service Products Group; Laurence A. Thompson, v.p.-Material Handling/Machine Tool Group; Norman A. Barkeley, v.p.-Aerospace Group; Albert F. Myers, v.p.-Commercial Products Group; Stephen D. Natcher, v.p. & general counsel; Larry R. DeJarnett, v.p.-information systems; Donald R. Schort, Jr., treasurer.

Directors: Albert G. Handschumacher*, Paul W. Trousdale*, K. Robert Hahn, Howard L. McGregor, Jr.*, Robert T. Campion*, Don F. Seyferth, Barton Beek, Norman Barker, Jr., Patricia M. Howe, James R. Sebastian, Sr.; Thomas P. Mullaney.

*Member of the Executive Committee.

Areas of Work: Operates in three market areas; electronic & electromechanical products, vehicle components and industrial & agricultural products. The Company designs and manufactures precision instruments and systems for military, commercial and general aviation aircraft. Products include communications equipment, and computer peripheral equipment. It supplies seating assemblies, axle tubes, suspension systems and other components directly to automotive manufacturers and produces replacement parts such as windshields, brakes and brake linings for used cars and trucks. Also manufactures agricultural equipment, furniture components, pre-engineered structural steel buildings, machine tools and other industrial products.

Divisions and Subsidiaries:

Aerospace 6 Electronics Group
3171 South Bundy Drive
Santa Monica, California 90406
(213) 391-7211

Aerospace electronics and control systems; on-site and fixed facility aircraft maintenance and overhaul; aerospace ground support heating and air conditioning equipment; telephone equipment. Gyros and gyro systems; aircraft automatic flight control, stabilization and all-weather landing systems; navigation systems and components; cockpit display instruments and systems, pressure sensing devices; airborne computers; ordnance aiming systems; ground based azimuth alignment equipment. Airborne, ground and marine-based electric generating systems and components, motors; pneumatic and hydraulic pumps and components; valves; servos and servo actuators; self-lubricating bearings; engine starters; gear and gear mechanisms; air pollution monitoring instrumentation equipment; public address systems; intercoms for home and industry; personal paging devices; metal cutting machinery & tools; electronic organs and other musical instruments and accessories; commercial, industrial & agricultural pumps & components; medical ancillary services.

Bogen Division
Route 4 and Forest Avenue
Paramus, New Jersey 07652
(201) 343-5700

Farfisa S.p.A.
Casella Postale n. 208
60100 Ancona, Italy

Audiotone Division
2422 West Holly
Phoenix, Arizona 85062
(602) 254-5888

Energy Products Division
2040 East Dyer Road
Santa Ana, California 92705
(714) 540-3210

American Avitron Division
P.O. Box 567
Rye, New York 10580
(914) 937-5300

Astronics Division
3171 South Bundy Drive
Santa Monica, California 90406
(213) 391-7211

Data Products Division
714 North Brookhurst Street
Anaheim, California 92803
(714) 774-1010

Electronic Instrumentation Division
714 North Brookhurst Street
Anaheim, California 92803
(714) 774-1010

Instrument Division
4141 Eastern Avenue, S.E.
Grand Rapids, Michigan 49508
(616) 241-7000

Automated Systems Center
280 East Riley Street
Zeeland, Michigan 49464
(616) 772-1000

Environmental Technology Division
74 Inverness Drive East
Englewood, Colorado 80112
(303) 770-3300

Management Services Division
3100 North Interstate Highway 35
Oklahoma City, Oklahoma 73136
(405) 424-5151

Power Equipment Division
17600 Broadway Avenue
Maple Heights, Ohio 44137
(216) 323-3211

Romec Division
241 South Abbe Road
Elyria, Ohio 44035
(216) 323-3211

Sierra Electronic Division
3885 Bohannon Drive
Menlo Park, California 94025
(415) 321-5374

Steinheil-Lear Siegler A.G.
Osterfeldstrasse 82,
8045 Ismaning (Munich) Germany

Transport Dynamics Division
3131 West Segerstrom Avenue
Santa Ana, California 92702
(714) 546-3131

Fabricated Products Operations
2401 West Big Beaver Road
Troy, Michigan 48084
(313) 643-9300

Automobile and truck seat assemblies; molded and slab foam for automotive and furniture applications; molded plastic parts and assemblies including recreation safety helmets; forged axle housings; truck and trailer air suspension systems; foundry patterns and equipment; contracted precision machining; short run metal stampings and stamped assemblies; mechanisms, suspensions, frames and components for furniture and bedding; housewares; office furniture; product display and store checkout units; and industrial storage equipment and systems.

Automotive Division
5930 Vancouver Avenue
Detroit, Michigan 48204
(313) 897-6100

Burroughs Division
3002 North Burdick Street
Kalamazoo, Michigan 49007
(616) 342-0161

Fabrication Technology Division
450 North Centennial Street
Zeeland, Michigan 49464
(616) 772-4674

Plastics Division
236 West Clark Street
Mendon, Michigan 49072
(616) 496-2215

Hinson Division
3470 West Airline Highway
Waterloo, Iowa 50704
(319) 235-7021

General Seating Division
13975 Farmington Road
Livonia, Michigan 48154
(313) 525-8620

Rapistan Division
507 Plymouth Avenue N.E.
Grand Rapids, Michigan 49505
(616) 451-6200

Foam Products Division
Lime Street
Marblehead, Massachusetts 01945
(617) 631-9451

Foam Products Division
1750 West Downs Drive
West Chicago, Illinois 60185
(312) 293-0780

National Broach & Machine Division
5600 St. Jean Avenue
Detroit, Michigan 48213
(313) 921-8980

National Twist Drill & Tool Division
Rochester, Michigan 48063
(313) 651-9531

Precision Gear Machines & Tools Ltd.
Bodmin Road
Coventry, England CV 2-5DZ

Metal Products Division
4600 Nancy Street
Detroit, Michigan 48212
(313) 893-3000

No-Sag Spring Division
3500 W. Eleven Mile Road
Berkley, Michigan 48072
(313) 547-5600

Progress Pattern Division
21555 Telegraph Road
Southfield, Michigan 48034
(313) 444-5100

Seymour Division
Chestnut & Ninth Streets
Seymour, Indiana 47274
(812) 522-5130

Royal Operations
980 So. Arroyo Parkway
Pasadena, California 91109
(213) 681-1176

Replacement glass for vehicles, industrial and architectural glass, traffic control devices, custom truck trailers and bodies, farm tillage and grain handling equipment, air and mechanical suspension systems for trucks and trailers, agri/industrial pumps, replacement vehicle brake products, trucks emergency spring brakes.

Accurate Products Division
4370 Jutland Drive
San Diego, California 92117
(714) 273-1212

Anchorlok Division
2910 East Ana
Compton, California 90221
(213) 537-6710

Neway Division
1950 Industrial Boulevard
Muskegon, Michigan 49443
(616) 773-3271

No-Sag Spring Company Ltd.
3500 West Eleven Mile Road
Berkley, Michigan 48072
(313) 547-5600

Bushman Division
400 County Road 18
Osseo, Minnesota 55369
(612) 425-2151

Certified Division
1000 Martin Grove Road
Rexdale, Ontario, Canada M9W 4V9
(416) 249-8381

Noble Division
515 North 16th Street
Sac City, Iowa 50583
(712) 662-4731

Peerless Division
18205 S.W. Boones Ferry Road
Tualatin, Oregon 97062
(503) 639-6131

Safelite Industries, Inc.
801 South Wichita
Wichita, Kansas 67201
(316) 267-3276

Central de Industrias S.A.*
Minerva 104-602
Mexico 20 D.F.

Cuckler Building Systems Division
102 West South Street
Monticello, Iowa 52310
(319) 465-3595

Hawaiian Properties Division
Amfac Building, Suite 1112
700 Bishop Street
Honolulu, Hawaii 96813
(808) 521-8781

Home Division
900 Brooks Avenue
Holland, Michigan 49423
(616) 394-4200

Hutchinson Division
514 West Crawford
Clay Center, Kansas 67432
(913) 632-2161

Mammoth Division
13120-B County Road 6
Minneapolis, Minnesota 55441
(612) 559-2711

Signal Division
1370 Esperanza St.
Los Angeles, California 90023
(213) 269-0321

No-Sag Drahtfedern GmbH
4835 Rietberg 2
Neuenkirchen, West Germany

Societe No-Sag Francaise*
50, Avenue de Wagram
75017 Paris, France

Hypro Division
375 Fifth Avenue, N.W.
New Brighton, Minnesota 55112
(612) 633-9300

* Less than 100% owned.

Transfer Agent(s):

Security Pacific National Bank
Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York, Pacific

Ticker Symbol: LSI

Number of Employees:

1980	24,077	1977	24,400
1979	25,066	1976	16,838
1978	24,921		

Plant Footage:

1980	14,206,000 sq ft.	1977	8,698,000
1979	14,206,000	1976	8,503,000
1978	14,100,000		

Sales and Earnings
(000's)

	Net Sales	Net Income
1980	$ 1,423,397	$ 65,722
1979	1,327,271	63,276
1978	1,155,167	48,200
1977	920,285	37,055
1976	694,307	25,412

Lear Siegler, Inc.

	No. of Com. Shares #	Earn. per Share ‡
1980	15,129,000	$4.23
1979	13,347,000	4.50
1978	12,472,000	3.55
1977	12,243,000	2.70
1976	12,201,000	1.75

Based on average number of shares outstanding.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1980	1979
Aerospace	$ 350,235	$ 272,189
Electronics	161,790	141,710
Material handling & machine tool	287,193	174,035
Automotive serv. prods.	176,130	201,401
Automotive & agricultural	297,387	400,109
Commercial prods.	150,662	137,827
Total	$ 1,423,397	$ 1,327,271

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$1.09	—	—
1979	0.86	—	—
1978	0.65	—	—
1977	0.50	—	—
1976	0.32	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1980	$ 321,795,000	$20.80
1979	261,248,000	17.76
1978	179,669,000	14.03
1977	137,294,000	11.13
1976	108,670,000	8.93

‡ After allowing for preferred stock at liquidation preference.

Income Account *
(000's)

Year ended June 30	1980	1979
Net sales	$ 1,423,397	$ 1,327,271
Cost of sales	1,067,467	1,009,483
Expenses	200,667	171,326
Interest expense	27,617	19,180
Other income	4,080	2,252
Income before taxes	$ 123,566	$ 125,030
Income taxes	57,844	61,754
Net Income	$ 65,722	$ 63,276

* Included in Costs and Expenses, Depreciation and Amortization: $24,006,000 in 1980 and $23,277,000 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 15,951,000	$ 16,267,000
Cert. of deposit & invest.	9,153,000	8,190,000
Accts. & notes receiv., net	235,620,000	199,355,000
* Inventories	291,711,000	268,817,000
Prepaid expenses	15,337,000	13,174,000
Current Assets	$ 567,772,000	$ 505,803,000
#Fixed assets	190,968,000	149,796,000
Other assets	82,327,000	58,369,000
Total Assets	$ 841,067,000	$ 713,968,000

Liabilities

Notes payable	$ 31,646,000	$ 24,390,000
Long-term debt, curr.	18,021,000	13,706,000
Accts. payable	86,348,000	81,570,000
Accruals	77,668,000	60,755,000
Accrued payroll	30,982,000	26,412,000
Income taxes	5,460,000	12,885,000
Curr. Liabilities	$ 250,125,000	$ 219,718,000
Long-term debt	204,176,000	163,716,000
Deferred liabilities	24,336,000	22,012,000
Deferred inc. taxes	11,135,000	5,274,000
+ Preferred stock	1,661,000	2,343,000
+ + Common stock	15,554,000	14,806,000
Add. paid-in capital	15,796,000	15,279,000
Retained earnings	319,513,000	272,050,000
Treasury stock	(1,229,000)	(1,230,000)
Total Liabilities & Shareholders' Equity	$ 841,067,000	$ 713,968,000

* At lower of cost (FIFO & LIFO) or market.

Less accumulated depreciation and amortization.

+ No par value.

+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.68	9.42
%Net Income to Sales	4.62	4.77
%Net Income to Equity	18.71	20.87
Sales to Inventories	4.88	4.94
Working Capital	$ 317,647,000	$ 286,085,000
Current Ratio	2.27	2.30
Shareholders' Equity	$ [illegible],000	$ 303,248,000

LFE Corporation

1601 Trapelo Road
Waltham, Massachusetts 02254
(617) 890-2000

Officers: Herbert Roth, Jr., president & chairman of the board; L.M. Faulkner, exec. v.p.; Thomas P. Grimes, Ronald A. Riggs, R. James Ferriman, Robert L. Barch, Charles N. Davis, Charles Dudinski, vice presidents; John J. Gould, v.p.-finance; E. MacKay Fraser, v.p., secretary & general counsel; Charles V. Glynn, treasurer.

Directors: Coleman Burke, Albert J. Kelley, David T. Morgenthaler, Bernard J. O'Keefe, Herbert Roth, Jr., L.M. Faulkner.

Areas of Work: Produces industrial process control systems and equipment, fluids handling equipment for sewage and environmental applications, industrial instrumentation, traffic control systems and related equipment and engineering, environmental and support services.

Divisions and Subsidiaries:

LFE Traffic Control Division
East Norwalk, Connecticut

LFE Process Control Division
Waltham, Massachusetts
Chesterland, Ohio

LFE Fluids Control Division
Hamden, Connecticut

Anderson-Nichols & Company, Inc.
Boston, Massachusetts
Concord, New Hampshire
Richmond, California

Acquisition(s):

Ames Engineering
Bangor, Maine

Gester Engineering
Providence, Rhode Island

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: LFE

Number of Employees:

1980	2,053	1977	2,047
1979	2,131	1976	1,937
1978	1,997		

Plant Footage:

1980	779,000 sq. ft.	1977	700,000
1979	660,000	1976	700,000
1978	730,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 78,672,000	$ (2,830,000)
1980	81,766,000	1,694,000
1979	75,632,000	2,023,000
1978	69,787,000	1,788,000
1977	57,540,000	1,935,000

	No. of Com. Shares #	Earn. per. Share ‡ #
1981	1,978,000	$ —
1980	1,959,000	0.86
1979	1,980,000	1.02
1978	2,217,000	0.81
1977	2,604,000	0.74

+ Of continuing operations only.

‡ Including extraordinary gains of $166,000 ($0.08 per share) in 1978 and $861,000 ($0.33 per share) in 1977.

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Traffic control	$ 19,809,000	$ 22,184,000
Process control	31,157,000	28,405,000
Fluids control	12,095,000	15,926,000
Services	15,611,000	15,251,000
Total	$ 78,672,000	$ 81,766,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.09	10%	—
1980	0.12	10%	—
1979	0.10	10%	—
1978	—	10%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$ 17,430,000	$ 8.81
1980	20,445,000	10.44
1979	18,815,000	9.50
1978	16,960,000	7.65
1977	19,235,000	7.39

‡ After allowing for preferred stock at liquidation value of $14 per share.

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	4/24/81	4/25/80
Net sales	$ 78,672	$ 81,766
Cost of sales	60,252	60,654
Expenses	15,493	14,222
Other income	(726)	(244)
Interest expense	2,295	2,528
Income before taxes	$ 1,358	$ 4,606
Income taxes	397	1,799
Income—cont. oper.	$ 961	$ 2,807
Loss—discont. oper.	(3,791)	(1,113)
Net Income (Loss)	$ (2,830)	$ 1,694

* Included in Costs and Expenses, Depreciation: $993,000 in 1981 and $1,109,000 in 1980.

Assets
(000's)

As of	4/24/81	4/25/80
Cash	$ 370	$ 1,743
Receiv., net	22,144	24,484
*Inventories	14,814	16,786
Prepaid expenses	370	677
Current Assets	$ 37,698	$ 43,690
#Fixed assets	7,208	8,430
‡Leased prop. under cap. leases	1,077	1,209
Other assets	7,006	7,768
Total Assets	$ 52,989	$ 61,097

Liabilities
(000's)

Long-term debt, curr.	$ 311	$ 835
Accts. payable	6,887	6,478
Accruals	6,460	5,811
Oblig. under cap. leases	352	360
Deferred income	182	405
Income taxes	—	334
Curr. Liabilities	$ 14,192	$ 14,223
Long-term debt	14,915	19,684
Long-term 10% sub. deben.	4,145	4,110
Deferred inc. taxes	—	314
+Preferred stock	1,648	1,658
+ +Common stock	2,090	2,070
Add. paid-in capital	17,993	17,692
Retained earnings (deficit)	(417)	4,076
Treasury stock	(1,577)	(2,730)
Total Liabilities & Shareholders' Equity	$ 52,989	$ 61,097

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $10 stated value; Series A cumulative convertible.
+ + $1 par value.

Statistical Summary

Sales to Inventories	—	7.44
Working Capital	$23,506,000	$29,467,000
Current Ratio	2.66	3.07
Shareholders' Equity	$19,737,000	$22,766,000

Lion Precision Corporation

60 Bridge Street
Newton, Massachusetts 02195
(617) 969-4710

Officers: Louis Michelson, president & treasurer; George Michaels, clerk.

Directors: Louis Michelson, George Michaels, Robert Massard, Arthur Miller, Jacques Abrams.

Areas of Work: Designs and manufactures a line of contact and non-contact precision gaging systems and controls for industry. The line inludes spring gages, thickness gages, transducers, displacement and tension devices, wafer gages, and microprocessors.

Transfer Agent(s):

John Sutherland
c/o Corporate Offices

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	35	1978	35
1980	25	1977	45
1979	45		

Plant Footage:

1981	10,000 sq. ft.	1978	10,000
1980	10,000	1977	10,000
1979	10,000		

Sales and Earnings

	Net Sales	Net Income‡
1981	$ 1,070,967	$ 11,264
1980	1,462,863	45,270
1979	1,627,056	79,506
1978	1,420,542	126,625
1977	1,028,037	50,880

	No. of Com. Shares	Earn. per Share#‡
1981	590,430	$ 0.02
1980	590,430	0.08
1979	590,430	0.13
1978	587,230	0.22
1977	588,230	0.09

\#Based on the weighted average number of shares outstanding.
‡Including extraordinary credits of $34,000 ($0.06 per share) in 1978 and $25,099 ($0 04 per share) in 1977 .

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	0.02	—	—
1978	0.02	—	—
1977	0.02	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 527,235	$ 0.89
1980	515,971	0.87
1979	470,705	0.80
1978	401,414	0.68
1977	286,871	0.49

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 1,070,967	$ 1,462,863
Cost of sales	580,241	755,658
Product develop. costs	21,645	54,447
Expenses	449,861	596,825
Oper. profit	$ 19,220	$ 55,933
Interest expense (income)	3,306	(1,337)
Income before taxes	$ 15,914	$ 57,270
Income taxes	4,650	12,000
Net Income	$ 11,264	$ 45,270

*Included in Costs and Expenses, Depreciation and Amortization: $19,065 in 1981 and $16,474 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 30,358	$ 23,482
Accts. receiv., net	239,859	204,045
*Inventories	396,124	362,699
Prepaid expenses	8,086	12,298
Current Assets	$ 674,427	$ 602,524
#Fixed assets	57,785	53,918
Other assets	46,145	49,095
Total Assets	$ 778,357	$ 705,537

Liabilities

Notes payable	$ 55,000	$ 40,000
Long-term debt, curr.	—	689
Accts. payable	82,737	42,551
Accruals	85,103	79,319
Accrued inc. taxes	3,282	7,007
Curr. Liabilities	$ 226,122	$ 169,566
Deferred comp.	25,000	20,000
+Common stock	188,115	188,115
Add. paid-in capital	320,662	320,662
Retained earnings	38,439	27,175
Treasury stock	(19,981)	(19,981)
Total Liabilities & Shareholders' Equity	$ 778,357	$ 705,537

*At lower of cost (FIFO) or market.
\#Less accumulated depreciation.
+ $0.30 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.49	3.91
%Net Income to Sales	1.05	3.09
%Net Income to Equity	2.14	8.77
Sales to Inventories	2.70	4.03
Working Capital	$448,305	$432,958
Current Ratio	2.98	3.55
Shareholders' Equity	$527,235	$515,971

The Lionel Corporation

9 West 57th Street
New York, New York 10019
(212) 371-2100

NOTE: The Corporation is operating as a debtor in possession under Chapter XI of the Federal Bankruptcy Act.

Officers: Ronald D. Saypol, president and chief executive officer; Leo P. Arnaboldi, Jr., chairman of executive committee; Richard R. Schilling, Jr., exec. vice president & chief operating officer; Robert A. Stein, v.p.-corp. development; Ward A. Cavanaugh, v.p.-finance & treasurer; George A. Padgett, secretary; Michael J. Vastola, controller & asst. treasurer.

Directors: Richard R. Schilling, Jr.*, Leo P. Arnaboldi, Jr.*, Paul J. Chase, Ronald D. Saypol*, Joseph A. Gimma*, Donald R. Anselmi*, Eugene P. Bernardi, Stanley Gewirtz, Gordon H. Johnson, Arthur F. McGinness, Jr.

*Member of Executive Committee.

Subsidiaries:

Industrial and Commercial Group

Perfection Electric, Inc.
101 South 38th Street
Harrisburg, Pennsylvania 17111
(717) 564-7300

Warm gear speed reducers and automatic and self-service car washing and cleaning equipment.

Leisure Marketing Group

2951 Grant Avenue
Philadelphia, Pennsylvania 19114
(215) 671-3800

Operates a chain of 92 mass merchandising toy supermarkets under the names: Lionel Playworld, Lionel Kiddie Center, Lionel Toytown, and Lionel Toy City. In: Alabama (1), Arizona (2), Arkansas (2), Colorado (3), Florida (11), Georgia (4), Kansas (2), Louisiana (1), Maryland (7), Minnesota (2), Missouri (1), Nebraska (1), New Jersey (6), New York (3), North Carolina (1), Ohio (9), Oklahoma (3), Pa. (17), S.C. (1), Tenn. (3), Texas (9), and Virginia (3). Major product lines include toys, games, hobbies, wheel guards, juvenile furniture, playground equipment, pools, and sporting goods.

Transfer Agent(s):

First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07303

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: LIO

The Lionel Corporation

Number of Employees:

1980	5,215	1977	4,425
1979	5,340	1976	3,950
1978	4,400		

Plant Footage: *

1980	4,268,000 sq. ft.	1977	2,550,000
1979	3,389,000	1976	2,400,000
1978	2,555,000		

* Includes manufacturing and warehouse areas and retail stores.

Sales and Earnings

	Net Sales +	Net Income
1980	$ 289,226,172	$ 5,347,342
1979	226,641,981	5,865,437
1978	175,661,138	3,351,147
1977	138,846,671	3,330,294
1976	113,600,570	1,964,002

	No. of Com. Shares #	Earn. per Share #
1980	5,778,599	$ 0.93
1979	5,406,758	1.08
1978	5,305,823	0.67
1977	5,255,295	0.63
1976	5,419,076	0.36

+ Of continuing operations only

# Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 47,043,542	$ 7.00
1979	35,751,493	6.27
1978	28,194,570	5.51
1977	25,187,320	4.93
1976	22,876,253	4.22

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 287,357,495	$ 225,064,784
Other income	1,868,677	1,577,197
Total Income	$ 289,226,172	$ 226,641,981
Cost of sales	198,603,553	153,699,027
Expenses	67,307,395	53,213,926
Depreciation & amortization	5,392,940	4,355,086
Interest expense	8,051,309	5,244,428
Income before taxes	$ 9,870,975	$ 10,129,514
Income taxes	4,439,292	4,231,058
Income from cont. oper.	$ 5,431,683	$ 5,898,456
Loss from discont. oper.	(84,341)	(33,019)
Net Income	$ 5,347,342	$ 5,865,437

Assets

As of Dec. 31	1980	1979
Cash	$ 8,802,166	$ 7,326,298
Short-term invest.	7,878,000	12,500,000
Receiv., net	17,929,243	15,503,229
Deferred inc. taxes	137,073	65,746
*Inventories	76,390,323	52,100,346
Prepaid expenses	1,482,417	1,302,909
Current Assets	$ 112,619,222	$ 88,798,528
Notes receiv.	3,401,056	3,122,713
Prop. under cap. leases	4,252,321	4,165,284
#Fixed assets	35,984,606	25,732,462
Other assets	9,014,235	3,267,961
Defer. charges	1,094,327	1,056,319
Intangibles	4,950,405	1,087,158
Total Assets	$ 171,316,172	$ 127,230,425

Liabilities

Long-term debt, curr.	$ 2,4[illegible]	$ 2,410,663
Cap. lease oblig.	448,6[illegible]	524,324
Accts. payable	59,834,692	36,581,833
Accruals	7,937,568	7,636,536
Accrued payroll	2,665,068	2,148,738
Taxes	9,168,150	7,543,259
Curr. Liabilities	$ 82,541,497	$ 56,845,353
Long-term debt	29,884,758	29,103,833
Cap. lease oblig.	10,172,549	4,638,339
Deferred income	23,304	23,304
Deferred inc. taxes	1,650,522	868,103
+Common stock	700,232	600,232
Add. paid-in capital	26,039,509	18,177,145
Retained earnings	21,117,497	18,282,561
Treasury stock	(813,696)	(1,308,445)
Total Liabilities & Shareholders' Equity	$ 171,316,172	$ 127,230,425

* At lower of cost (FIFO or retail method) or market.

Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

%Net Income to Equity	11.37	16.41
Sales to Inventories	3.79	4.32
Working Capital	$30,077,725	$31,953,175
Current Ratio	1.36	1.56
Shareholders' Equity	$47,043,542	$35,751,493

Litton Industries, Inc.

360 North Crescent Drive
Beverly Hills, California 90210
(213) 273-7860

Officers: Charles B. Thornton, chairman of the board; Fred W. O'Green, president; Joseph T. Casey, Joseph S. Imirie, Arnold R. Kaufman, Burnell A. Gustafson, executive vice presidents; Leonard Erb, Nathaniel S. Howe, Robert H. Lentz, Grady W. Warwick, sr. vice presidents; Wayne L. Grosvenor, sr. v.p. & controller; Charles S. Bridge, Charles A. Gallagher, John Grado, Robert F. Kane, Walter P. Lukens, Philip J. Lynn, Justin S. Oppenheim, Roland O. Peterson, Ronald E. Quigley, Mathias J. Diedrich, Alex B. Owen, J. Robert Roe, Booth B. Strange, Julius W. Vetter, vice presidents; George E. Bouillanne, treasurer; George W. Fenimore, sr. v.p. & secretary.

Directors: Charles B. Thornton, chairman; Glen McDaniel, John T. Casey, Ransom M. Cook, M.A. Hollengreen, Fred W. O'Green, Jayne B. Spain, Norman H. Topping, James O. Wright, Don G. Mitchell, Geo. T. Scharffenberger, William S. Banowsky, Wallace W. Booth.

Areas of Work: Designs, manufactures and markets business machines and retail information systems, including office calculators, programmable calculators, scientific and engineering calculators, hand held calculators, business minicomputers, electronic point-of-sale systems, electromechanical sales registers, retail tag-making equipment and supplies, and retail information products; office furniture and equipment, office planning and design, and retail store design and fixtures; navigation and control systems, including, aircraft inertial navigation systems, missile inertial guidance systems, marine navigation instrument and systems, and automated ship control systems; communications and electronic data systems, including command and control systems, shipboard electronic systems, tactical communications and systems, tactical air support equipment, airborne warning and control systems, electronic surveillance systems, radio navigation systems, and telephone communication systems; marine engineering and production, including naval surface ships, nuclear-powered submarines, containerships and bulk cargo ships, and marine design and engineering; machine tool systems, including disc and surface grinding machines, automatic bar and chucking machines, boring, milling and drilling machines, thread rolling machines, plastic injection molding machines, drills, taps, dies and cutting tools, hand tools, and specialty metal products; bulk material handling systems, portable and stationary crushing plants, and unit handling conveyor systems; electronic and electrical components, including computer components and subassemblies, microwave devices and laser materials, servo components and potentiometers, printed circuit boards, industrial electric motors, and electrical lighting components; medical and electronic products, including electronic diagnostic and patient monitoring equipment, biomedical services and life science research, microwave cooking products and sound projection and recording equipment; also engaged in resource exploration.

Divisions and Subsidiaries:

Able-Stik Products
75 State Highway 17
Hasbrouck Heights, NJ 07604
(201) 288-4300
(800) 323-2708

Printed and die cut self-adhesive labels supplied in sheets, rolls and continuous fanfolds. Stock inventory of data processing labels, file cards and rotary index cards.

also:

6750 Belt Circle Drive
Bedford Park, IL 60638
(312) 585-0541

Route 50 East
Athens, OH 45701
(614) 593-3311

Advanced Circuitry
4811 West Kearney Street
Mail to: P.O. Box 2847 CS
Springfield, Missouri 65803
(417) 862-0751

Printed and multilayer circuit boards, artwork design, board loading, back panels.

Aero Products
26540 Rondell Street
Calabassas, CA 91302
(213) 880-5200

Navigation and guidance systems for commercial airlines and general aviation, ground proximity warning systems.

also:

Cameron Commercial Centre
Room 2202-3, 22nd Floor
458-468 Hennessy Road
Hong Kong
5-762461 5-762537

6520 Powers Ferry Road, NW
Suite 200
Atlanta, GA 30339
(404) 955-0629

Marketing Representation:
9 Avenue Franklin Roosevelt
F-75008 Paris, France

36 Hertford Street
London, W1, England

Aero Service
8100 Westpark Drive
Mail to: P.O. Box 1939
Houston, Texas 77063
(713) 784-5800

Also:

218 Church Road
Elkins, PA 19117
(215) 635-2525

Photogrammetric and SLAR engineering, airborne and ground geophysical surveys, geophysical mapping, simulation sciences, resource exploration and evaluations.

Aero Service (Italy)
c/o Western Ricerche Geofisiche S.p.A.
Piazza della Repubblica 32
I-20124
Milan, Italy

Aerial surveys and photography.

Aero Service (Great Britain)
c/o Western Geophysical Company
288/290 Worton Road
Isleworth, Middlesex TW 7 6 EN England
Aerial surveys and photography.

Airtron
200 East Hanover Avenue
Morris Plains, New Jersey 07950
(201) 539-5500
Microwave components, including waveguides and ferrite devices; optical and magnetic crystals; jewelry products.

Amecom
5115 Calvert Road
College Park, Maryland 20740
(301) 864-5600
Electronic warfare systems; radio communications systems and products; radio navigation systems (OMEGA and LORAN) and products, including receivers; ship communications electronics.

Litton Business Furniture
7 rue Mariotte
75017 Paris, France
261 80 00
Metal and wood office furniture, desks, files, seating and cabinets.

Butterfield-Canada
Rock Island
Quebec, Canada JOB 2K0
(819) 876-2721
Metal cutting tools including drills, taps, and dies; reamers, end mills, cutters and hobs in high-speed steel, carbide tipped and solid carbide tool holders and carbide indexable inserts.

Clifton Precision
Broadway and Marple Avenues
Clifton Heights, Pennsylvania 19018
(215) 622-1000
Synchros, resolvers, torquers, D.C. motors.

Clifton-Special Devices
5100 State Road
Drexel Hill, Pennsylvania 19026
(215) 622-1000
Digital display and readout systems for aircraft; converters, S/D and D/R; servo assemblies for aircraft and ships; data signal conversion equipment.

also:

P.O. Box 160
Murphy, NC 28906
(704) 837-5115

Cole U.S. (Litton Business Furniture)
640 Whiteford Road
York, Pennsylvania 17405
(717) 854-1545
Office furnishing products in contemporary, conventional and executive designs.
Cole-Canada (Litton Business Furniture)
1865 Birchmount Road
Scarborough, Ontario, Canada M1P 2J5
(416) 293-8221
Steel and upholstered office furniture.

Contromatics
222 Roberts Street
East Hartford, Connecticut 06108
(203) 528-9935
Ball valves, pressure sealing butterfly valves and actuators, nuclear valves.

Data Command Systems
29851 Agoura Road
Agoura, CA 91301
(213) 991-9660
Systems engineering and program management for total air defense systems.

also:

P.O. Box 7049
Jeddah, Saudi Arabia

Data Systems
8000 Woodley Avenue
Van Nuys, California 91409
(213) 781-8211
Tactical communications systems, tactical data links, communications control systems, data processing and equipment, ground support equipment, air defense systems, command and control systems, data processing and display systems, military recording systems, analog/digital conversion equipment, tactical air support, airborne warning and control, integrated ship control, light emitting diode displays, automatic test equipment.

also:

1801 Loop 289 N.E.
Lubbock, Texas 79408
(806) 762-0651
Production of circuit cards and power supplies.

425 East Fillmore Street
Colorado Springs, CO 80907
(303) 475-7220
Production of TSQ-73 subsystem and system upgrade of ITAOC.

4200 Michoud Blvd.
New Orleans, LA 70189
(504) 254-4530
Electronic design and packaging of command, control and communications systems for military.

Marketing Representation:
59 bis, rue du Bon Pasteur
1140 Brussels, Belgium
(02) 216-8057

Decotone
180 State Road East
Mail to: P.O. Box 311
Westminister, Massachusetts 01473
(617) 874-5901
Rotogravure printing on paper, vinyl, acrylic and polystyrene films for use in furnishings and paneling; printing and embossing of vinyl films for lamination; custom design services; rotogravure engraved cylinders, Decotherm heat transfer dye process.

Decotone Carolina
P.O. Box 482
Monroe, NC 28110
(704) 289-6441

Decotone-Permaco
Henry Fordlaan 9B-3600
Genk, Belgium
Rotogravure printing of papers, vinyl and styrene films for the laminating, furniture and building industries; coated recording papers for medical, scientific and industrial applications; design and dyeing of fabrics through heat transfer process, Decotherm dye process.

Eldorado Tool & Mfg.
336 Boston Post Road
Milford, Connecticut 06460
(203) 878-1711
Gundrills; Gunreamers; gun drilling machines; high-pressure coolant systems and gunrill sharpening equipment.

Electron Tube
960 Industrial Road
San Carlos, California 94070
(415) 591-8411
Microwave tubes, including magnetrons, traveling wave tubes and keystrons, solid-state microwave oscillators; cathode ray tubes and tube related equipment; basic and applied research in electron devices; image intensifiers, night vision devices.

also:

1215 S. 52nd Street
Tempe, Arizona 85281
(602) 968-4471
Production of night vision devices.

1035 Westminster
Williamsport, PA 17701
(717) 326-3561
Production of magnetrons.

Encoder
20745 Nordhoff Street
Chatsworth, California 91311
(213) 341-6161
Encoders which provide shaft angle positions to interface with digital computer circuitry or computers in military, industrial and commercial systems.

Eureka X-Ray Tube
3250 North Kilpatrick Avenue
Chicago, Illinois 60641
(312) 545-3126
X-ray tubes for medical, dental and industrial applications.

Fitchburg Coated Products
East Corey Street
Moosic, Pennsylvania 18501
(717) 347-2035
Pressure sensitive adhesive products, recording and reproduction papers, and specialty coatings.

Fitchburg Paper
601 River Street
Fitchburg, Massachusetts 01420
(617) 345-4361
Specialty papers, including base papers for saturating, diazo coating, surgical, sterilization, photocopying, wallpaper, greeting cards and general printing; flame retardant papers.

Gardner Machine
481 Gardner Street
South Beloit, Illinois 61080
(815) 389-2251
Disc grinders, surface grinders and abrasive disc wheels.

Gardner Service Co.
Rt. # 6
Bellwood Road
P.O. Box 969
Calhoun, GA 30701
(404) 625-1270
Production of grinding wheels.

Guidance & Control Systems
5500 Canoga Avenue
Woodland Hills, California 91367
(213) 887-4040
Inertial navigation systems, doppler-inertial-loran navigation systems, stellar-inertial-doppler navigation systems, inertial measurement units, aircraft and missile inertial guidance systems; marine gyrocompasses and inertial navigator, inertial platforms, heading and attitude reference systems, gyroscopes and accelerometers; analog and digital electronic devices including input/output, display and test equipment; digital computers for aircraft navigation, communications, missile guidance, electronic warfare and control systems; digital differential analyzers; ship control systems including propulsion, steering and auxiliary control subsystems and ship's bridge control systems and equipment; airborne range instrumentation systems.

also:

1001 Redwood Highway Spur
Grants Pass, Oregon 97526
(503) 479-7541
Assembly of electronic printed circuits and components for inertial navigation systems.

2211 W. No. Temple
Salt Lake City, Utah 84116
(80) 328-2241
Fabrication, assembly and test of electronic equipment for inertial navigation systems and other electronic components.

Hellige
Henrich-von-Stephanstrasse 4
Postfach 728
D-78 Freiburg/Breisgau, Germany
Medical electronic diagnostic equipment including electrocardiographs, electro encephalographs, defibrillators, multichannel recorders and other measuring and recording devices for pre-operative, surgical and postoperative patient monitoring systems; intensive care systems; blood testing equipment; computerized EKG analysis systems; measuring and recording equipment for individual purposes.

also:

Hellige Austria
Herbeckstrasse 27
A-1180 Vienna, Austria
Marketing of medical electronic equipment.

Hellige France
49, rue d'Oberhausbergen
B.P. No. 12 Eckbolsheim
F-67038 Strasbourg, Cedex
France
Marketing of medical electronic equipment.

Litton Industries, Inc.

Hellige Italia
Viale di Porta Vercellina 20
1-20123 Milan, Italy
Marketing of medical electronics equipment.

Hewitt-Robins Crushing & Vibrating Equipment
P.O. Box 1481
US Highway 1 North
Columbia, South Carolina 29206
(803) 788-1424
Crushers, portable and stationary crushing plants, feeders, shakeouts and vibrating screens.

Hewitt-Robins Conveyor Equipment
270 Passaic Avenue
Passaic, New Jersey 07055
(201) 777-5500
Conveyor idlers, mine conveyors, conveyor accessories, polyurethane "Tuffgard" products.

also:

129 Enterprise Drive
Pueblo West, CO 81007
(303) 547-2425

Ingalls Shipbuilding
P.O. Box 149
Pascagoula, Mississippi 39567
(601) 769-6110
New construction of naval and commercial ships; new construction and overhaul of conventional and nuclear-powered submarines, rail cars, oil rigs and platforms and other industrial products; advanced naval and commercial ship design; engineering and systems analysis.

also:

1 Allan Center, 10th Floor
Houston, TX 77002
(713) 650-0631

2341 South Jefferson Davis Highway
Suite 525
Arlington, VA 22202
(703) 979-7744

Jefferson Electric
840 25th Avenue
Bellwood, Illinois 60104
(312) 626-7700
Ballasts, flourescent and mercury vapor; transformers and electric clocks; electric isolation panels.

also:

315 Elm Street
Athens, Alabama 35611
(205) 233-0950

P.O. Box 52
Williamstown, Kentucky 41097
(606) 824-4482

Kester Solder
4201 Wrightwood Avenue
Chicago, Illinois 60639
(312) 235-1600
Soldering materials.

also:

1730 N. Orangethorpe Park
Anaheim, California 92805
(714) 871-0280

88 Ferguson Street
Newark, New Jersey 07105
(201) 589-0246

1 Prince Charles Road
P.O. Box 474
Brantford, Ontario, Canada N3T 5N9
(519) 753-3425

215 A Boon Keng Road
Kallang Industrial Estate
Singapore 12

Kimball McBee
3717 Park Place
P.O. Box 56
(213) 248-8560
Montrose, California 91020

Plastic and magnetic printing including identification cards, credit cards and revenue control tickets.

Kimball Systems Division
(Sweda International, Inc.)
64 East Midland Avenue
Paramus, New Jersey 07652
(201) 265-7000
Retail stock control and identification systems, including integrated data processing equipment and supplies for punched holes, OCR, and optical marked sensed tickets. Machines for producing punched holes and OCR tags and labels, electronic tag reading equipment.

Kimball Systems, Canada
85 Advance Road
Toronto, Ontario, Canada M8Z 2S9
(416) 233-1135
Tickets, tags, labels and imprinters for industrial, retail, and OCR applications.

Kimball Systems, Europe
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Headquarters for Kimball Marketing Divisions in Europe.

Kimball Systems, France
105, rue de Tocqueville
FG-75017 Paris, France
Marketing and service of Kimball punch marking and magnetic encoding systems, OCR tags and labels.

Kimball Systems, Germany
Vossenackerstrasse 9
D-4040 Neuss, Germany
Marketing and service of Kimball punch marking and magnetic encoding systems, OCR tags and labels.

Kimball Systems, Great Britain
6 Totman Crescent
Weir Industrial Estates
GB-Rayleigh, Essex SS6-7XB, Great Britain
Manufacturing of tags and labels. Marketing and service of Kimball punch marking and OCR systems.

Kimball Systems, Italy
Via Montevideo #13
I-20144 Milan, Italy
Marketing and service of Kimball punch marking, OCR and magnetic encoding systems, tags and labels.

Kimball Systems Nederland B.V.
Marconistraat 7, P.O. Box 70
NL-6900 AB Zevenaar, Netherlands
Famos label marking machines; tags and labels of self-adhesive and heat-seal paper, cardboard and P.V.C., automatic dispensers and printing units; hand pricers.

also:

Parnassusweg 201
NL-Amsterdam, Netherlands
Marketing and service of Kimball punch marking, OCR systems.

Kimball Systems, Sweden
Kyrkbacken 9-11
Box 3013
S-17103 Solna 3, Sweden
Marketing and service of Kimball punch marking, OCR and magnetic encoding systems, tags and labels.

Kimball Systems, Switzerland
Seefeldstrasse 123
CH-8034 Zurich, Switzerland
Marketing and service of Kimball punch marking, OCR and magnetic encoding systems, tags and labels.

Koehler-Dayton
P.O. Box 3100
South Street
New Britain, Connecticut 06050
(203) 225-3501
Waste management systems and technology for military, recreational, mass transportation and related capsulated population industries, including ships, buses, aircraft, trains, recreational homes, marinas and other applications.

Landis Lund
Cross Hills, Keighley BD 20 7SD
Yorkshire, England
Precision cylindrical grinding machines and disc grinders.

Landis Tool
East Sixth Street
Waynesboro, Pennsylvania 17268
(717) 762-2161
Precision cylindrical grinding machines.

Lehigh-Leopold (Litton Business Furniture)
2825 Mt. Pleasant Street
Burlington, Iowa 52601
(319) 753-2271
Executive and general office furniture, upholstered office seating in wood and metal.

also:

150 East 58th Street
New York, New York 10022
(212) 593-0900
Wooden and upholstered office furniture.

Liberty Wire
2333 Wisconsin Avenue
Downers Grove, Illinois 60515
(312) 242-4420
Magnetic wire; bunched and stranded copper wire, bare and tinned, aluminum wire.

LITAL
(Litton Italia S.p.A.)
(Guidance & Control Systems)
Via Pontina km 27,800
Mail to: Casella Postale 10064 EUR
1-00040 Pomezia (Rome), Italy
Inertial navigation systems for aircraft; military computers.

LITEF (Litton Technische Werke)
Loerracherstrasse 18
Postfach 774
D-7800 Freiburg, Germany
Inertial navigation systems; marine gyro compasses and navigation systems; attitude and heading reference platforms; gyroscopes and accelerometers; digital computers; interface electronics, Doppler navigation, tactical control and display.

also:

Wachsbleiche 29
D-5300 Bonn, Germany

Litton Bionetics
5516 Nicholson Lane
Kensington, Maryland 20795
(301) 881-5600
Biomedical services in life science research; clinical laboratory testing services; biologic safety testing and evaluation; research laboratory products; primate and animal breeding.

also:

101 West Jefferson Street
Falls Church, VA 22046
(703) 532-9066

1330 Piccard Drive
Rockville, MD 20854
(301) 881-5600

(Frederick Cancer Research Center)
Post Office Box B
Frederick, MD 21701
(301) 663-8000

(Primate Center)
P.O. Box 557
Yemassee, SC 29945
(803) 589-5190

Litton Business Systems Holland BV
(HEADQUARTERS)
Vrijzicht 79
P.O. Box 9267
NL-1006 AG Amsterdam
Netherlands
Tax and accounting computation.

Litton Energy Control Systems Division
8944 Mason Avenue
Chatsworth, California 91311
(213) 341-5251
Computerized energy management systems which also monitor and control machinery, to increase productivity in an industrial environment, related sensors for measuring temperature and electric power, installation and maintenance services.

Litton Fastening Systems
3969 Paramount Boulevard
Lakewood, California 90712
(213) 421-3711
Precision fasteners for industry, high strength and high temperature; self-locking Orlo fasteners; hydraulic components, swivels extensions and fittings.

Litton Financial Printing
6920 East Slauson Avenue
Los Angeles, California 90040
(213) 724-1900
Administrative headquarters for Litton Financial Printing operations.

also:

2546 N. Clovis Avenue
Fresno, California 93727
(209) 291-0646

5181 Santa Fe Street
San Diego, California 92109
(714) 273-4006

2770 DeLa Cruz Boulevard
Santa Clara, California 95050
(408) 246-3272

202 East Sharp Street
Spokane, Washington 99202
(509) 326-9401

2[illegible]35 North Huachuca Drive
Tucson, Arizona 85705
(602) 622-4796

Palmer Road
Monson, Maine 01057
(413) 267-4021

1560 West Ogden Avenue
Naperville, Illinois 60540
(312) 355-1980
Business and personal checks, forms and passbooks, payroll check systems, accounts payable systems, plastic items.

Litton Industries Credit Corporation
(HEADQUARTERS)
600 Summer Street
P.O. Box 601
Stamford, Connecticut 06904
(203) 359-2700
Financing provided for Litton products and Litton-related products through leases and security agreements.

Litton Industries Credit Corporation
Southern Region
3783 Northeast Expressway, Suite 102
Atlanta, Georgia 30340
(404) 452-2250

Litton Industries Credit Corporation-
Western Region
2025 Gateway Place, Suite 354
San Jose, California 95103
(408) 279-4880

Litton Industrial Credit Corporation-
Midwestern Region
477 West Wrightwood Avenue
Elmhurst, Illinois 60126
(312) 279-1920

Litton Industries Far East Office
Central P.O. Box 760
Tokyo, Japan

Litton Industries Regional Office
201 East 42nd Street
New York, New York 10017
(212) 661-1111

Litton Industries Regional Office
490 L'Enfant Plaza East, S.W.
Washington, D.C. 20024
(202) 554-2570

Litton Industries Regional Public Relations Office
303 East Wacker Drive, Suite 1211
Chicago, Illinois 60601
(312) 664-4558

Litton International S.A.
Gubelstrasse 28
8050 Zurich, Switzerland
Holding company.

Litton Medical Electronics
777 Nicholas Boulevard
Elk Grove, Illinois 60007
(312) 593-8070
Marketing of medical electronics.

Litton Microwave Cooking Products
1405 Xenium Lane North
P.O. Box 9461
Minneapolis, Minnesota 55440
Exec. Officers (612) 553-2000
Toll free (800) 328-3338
Microwave ovens and accessory products for commercial, institutional, vending and home use.

also:

600 East 54th Street, North
Sioux Falls, South Dakota 57104
(605) 336-2222
Production of countertop microwave ovens.

Litton Microwave Cooking Products
(Canada) Ltd.
6650 Finch Avenue, West
Rexdale, Ontario, Canada M9W 5Y6
(416) 675-7051

Litton Microwave Cooking Products Ltd.
1st Floor, Mint House
6 Stanley Park Road
GB-Wallington, Surrey
Great Britain

also:

Vrijzicht 79
P.O. Box 9267
NL-1006 AG Amsterdam, Netherlands

Litton Office Products Centers
135 Community Drive
Great Neck, New York 11021
(516) 829-9610

Litton Office Products Centers—
Mid-Atlantic Region
505 Broadway
New York, New York 10012
(212) 966-2900

Litton Office Products Centers—
New England Region
184 Windsor Avenue
Wilson, Connecticut 06095
(203) 522-2291

Litton Office Products Centers—
Southeast Region
1101 East Laburnum Avenue
Richmond, Virginia 23222
(804) 329-3561

Litton Office Products Centers
Southern Region
5301 NW 37th Avenue
Miami, FL 33142
(305) 633-4327

Litton Office Products Centers
Southwest Region
580 North Shepherd Drive
Houston, Texas 77007
(713) 868-3600

Litton Office Products Centers
Western Region
364 South Anderson Street
Los Angeles, California 90033
(213) 269-7461
Office supplies, furniture and fixtures, printing, advertising specialities, engraver of letterheads and stationery, business machines, space planning and interior design.

Litton Precision Gear
4545 South Western Boulevard
Chicago, Illinois 60609
(312) 847-4211
Precision gears and aircraft parts

Litton Precision Products International
Sales of Litton and non-Litton manufactured electronic and electro-mechanical components.

(France)
58, rue Pottier
F-78150 Le Chesnay, France

(Germany)
Oberfoehringerstrasse 8
D-8 Munich 80, Germany
Headquarters for European Offices of LPPI.

(Great Britain)
95 High Street
GB-Slough, Bucks, Great Britain SL1 1DH

(Italy)
Via Arco 4
1-20121 Milan, Italy

(Netherlands)
Van Utrechweg 25,
NL-2921 LN Krimpen a.d. Yssel
Netherlands

(Sweden)
Warfvinges Vag 32
Box 30095
S-104 25 Stockholm, Sweden

(Switzerland)
Gubelstrasse 28
CH-8050 Zurich, Switzerland

Litton Resources Systems
3930 Westholme
Houston, Texas 77063
(713) 781-8871
Manufacture, sale and maintenance of electronic digital recording and processing equipment for the geophysical industry. Land and marine seismic detectors and cables.

also:

8400 Westpark Drive
Houston, Texas 77063
(713) 784-0510

P.O. Box 3340
Galveston, Texas 77552
(713) 744-7121

P.O. Box 400
Bellaire, Texas 77401
(713) 666-7454

1001 Bypass #35
P.O. Box 710
Alvin, TX 77511
(713) 331-6451

(LRS Canada, Ltd.)
#1 6125 11th St., S.E.
Calgary, Alberta T2H 2L6
Canada
(403) 259-5413

Litton Systems Canada Limited
25 Cityview Drive
Rexdale, Ontario, Canada M9W 5A7
(416) 249-1231
Inertial navigation systems, weapons delivery computers and systems, aerospace ground equipment, tactical data systems, airborne surveillance radar, precision electromechanical devices, electronic control systems, engineering development, product support, simulators, inertial reference flight inspection systems, intrusion detection and surveillance systems, radar simulation training systems and air navigation procedures trainers security systems.

Litton UHS (Unit Handling Systems)
7100 Industrial Road
Florence, Kentucky 41042
(606) 371-6430
Unit-handling conveyor systems and equipment; automated warehousing systems, overhead conveyor systems.

also:

UHS von Gal Palletizers
3101 Old Hayneffield Road
P.O. Drawer 177
Montgomery, Alabama 36195
(205) 269-2355

Pallet loading and unloading equipment for material handling systems.

7875 Convey Court
San Diego, California 92111
(714) 560-4921

11325 Pegasus St.
Dallas, TX 75238
(214) 349-8229

22 Perimeter Center East
Atlanta, GA 30346
(404) 393-4045

8 St. Albans Avenue
Newton Square, PA 19073
(215) 356-4600

500 West Central Road
Mt. Prospect, IL 60056
(312) 398-5650

Litton World Trade Corporation
Gubelstrasse 28
8050 Zurich, Switzerland
Development of Litton trade with Mideast and Eastern countries.

Louis Allis
427 East Stewart Street
Milwaukee, Wisconsin 53201
(414) 481-6000
Electric motors, industrial, 1-10,000 HP, AC and DC; standard and engineered drives and systems, rotating and solid-state adjustable, alternators, generators, special compressors.

also:

16555 West Ryerson Road
New Berlin, Wisconsin 53151
(414) 782-0200

555 Lawton Avenue
Beloit, Wisconsin 53511
(608) 365-4491
Generators, alternators, and screw compressors.

Lucas Machine
12302 Kirby Avenue
Cleveland, Ohio 44108
(216) 451-5588
Boring, milling and drilling machines (horizontal and vertical), largely equipped with numerical controls; vertical NC profilers for contour milling of titanium and super alloys; microprocessor machinery systems.

Kimball-McBee Systems
151 Cortlandt Street
Belleville, New Jersey 07109
(201) 759-6500
Manual accounting and posting systems and forms, with supporting equipment.

Mellonics
1001 West Maude Avenue
Sunnyvale, California 94086
(408) 245-0795
Services and systems; computer programming and software development; data systems design; systems engineering and engineering services; operations analysis, technical communication programs; systems operational test and evaluation; electronic warfare computer program development.

also:

2301 Jefferson Davis Highway
Suite 506
Arlington, VA 22202
(703) 528-8111

8305 Vickers Street
Suite L
San Diego, California 92111
(714) 565-8446

Building 260
Camarillo Airport
Industrial Park
275 East Pleasant Valley Road
Camarillo, California 93010
(805) 987-1311

Mellonics Information Center
6701 Variel Avenue
Canoga Park, California 91303
(213) 887-5100
Computer processing and associated services; batch processing, time sharing, remote job entry, on-line data base management, computer programming, legal and litigation support services.

Merriman
100 Industrial Park Road
Hingham, Massachusetts 02043
(617) 749-5100
Textile rings, self-lubricating construction bearings, powdered metal parts, helical and spur gears.

Monroe Systems for Business
The American Road
Morris Plains, New Jersey 07950
(201) 540-7300

Mail to:

P.O. Box 9000-R
Morristown, New Jersey 07960
Electronic programmable desktop calculators and minicomputers for business and technical use; electronic calculators for general business; hand-held calculators; adding machines.

also:

Litton Road
Lexington, South Carolina 29072
(803) 359-2525

Monroe (Canada)
4500 Dixie Road
Mississauga, Ontario L4W 1W4, Canada
(416) 625-7240
Sales and service of Monroe office calculators, adding and accounting machines.
Monroe International
Europe-Africa-Middle East
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Area marketing/service group for Monroe calculators.

Monroe (Far East)
P.O. Box 6475, Tsim Sha Tsui
Kowloon, Hong Kong
Back-up service for Monroe products; training of Monroe technicals for Asiatic-Pacific dealers.

Monroe (Far East)
P.O. Box 96475, Tsim Sha Tsui
Room 910
Champion Building
301-309 Nathan Road
Kowloon, Hong Kong
Sales and service for Monroe products.

Monroe Venezolana
Apartado Postal 6678
Caracas, Venezuela, Zona 101
Sales and service of Monroe calculators.

New Britain Machine
P.O. Box 1320
South Street
New Britain, Connecticut 06050
(203) 229-1641
Single and multiple spindle automatic bar machines; chucking machines, horizontal single and multiple spindle; numerically controlled chucking machines; contour turning and boring machines, friction welding machines and special machines.

also:

New Britain Plastics
South Street
New Britain, Connecticut 06051
(203) 224-7761
Plastics injection molding machines, processing monitoring controls.

New Britain Tool
P.O. Box 1320
South Street
New Britain, Connecticut 06050
(203) 224-7161
Mechanics' hand tools for industry and the home market.

also:

2903 Lee Avenue
Sanford, North Carolina 27330
(919) 775-7154

Alumni Drive
P.O. Box K
Newington, CT 06111
(203) 667-2241

Paper Printing and Forms Group Offices
601 River Street
Fitchburg, Massachusetts 01421
(617) 345-4361

Papeterie de Versoix
1290 Versoix (Geneva), Switzerland
Production offset, continuous form, writing and envelope paper.

C. Plath
Gertigstrasse 48
D-2000 Hamburg 60, Germany
Advanced and conventional marine navigational equipment, including gyro compasses, automatic pilots, electronic main-steering systems, rate-of-turn indicators, radio navigation equipment, EM-log, sextants, magnetic compasses and general nautical instruments.

also:

4927 Calvert Road
College Park, Maryland 20740
(301) 864-5600

Poly-Scientific
1213 North Main Street
Blacksburg, Virginia 24060
(703) 552-3014
Slip ring assemblies, miniature to large, for all applications including body scanners, offshore mooring and geophysical, cockpit instrumentation, inertial navigation, helicopter deicing, cable reels, radar pedestals, military vehicle turrets, high speed turbine testing and hard vacuum; rotary swtiches; arm/disarm devices; molded cable assemblies; perimeter protection (burglar) systems and related components.
Also analytical services including physical and chemical analysis particularly as relates to contamination and tribological research of electric contracts.

Potentiometer
750 South Fulton Avenue
Mount Vernon, New York 10550
(914) 664-7733
Precision potentiometers and precision rheostats in rotary, multiturn and singleturn rectilinear and sector types; pendulum transducers; resistors, rotary switches; servo modules; Compulift crane warning systems and load sensing systems.
Reed Rolled Thread Die
Industrial Park
Holden, Massachusetts 01520
(617) 829-4491
Thread rolling machines, dies, attachments, thread rolls and knurls.

Robins Engineers & Constructors
711 Union Boulevard
Totowa, New Jersey 07512
(201) 256-7600
Design and installation of bulk material handling systems, including belt conveyor systems, and blending, storage and reclaiming systems.

Standard Desk (Litton Business Furniture)
1000 St. Martin Boulevard
Laval, Quebec, Canada H7S 1M7
(514) 663-3030
Executive and general office furniture, upholstered office seating in wood and metal, SOLVE modular furniture systems.

Streater (Litton Business Fixtures)
411 South First Avenue
Albert Lea, Minnesota 56007
(507) 373-0611
Store planning consultation including planning, decor design, fixture manufacturing, installation and financing for independent, discount, chain and department stores; manufacture of store fixture and decor, interior and exterior planning, design and installation.

Svenska Dataregister
Vretenvogen 2, Fack
S-17203 Sundbyberg 3, Sweden
Sweda electromechanical sales registers and related retail automation equipment.

Sweda International (World Headquarters)
34 Maple Avenue
Pine Brook, New Jersey 07058
(201) 575-8100
Electronic and electromechanial cash register systems; Litton ABS electronic business systems utilizing mini-computers.

Sweda International (European Headquarters)
Litton House
52/56 Buckingham Street
GB-Aylesbury, England
Buckinghamshire HP 20 2LW
Sales and service of Sweda electromechanial, electronic cash registers and point of sale systems in Europe, Africa, Asia and Australia.

Sweda, S.A.C.I., Argentina
Tacuari 147
Buenos Aires 1071, Argentina
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Austria
Rennweg 46-48
A-1030 Vienna 111, Austria
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Belgium
59 rue du Bon Pasteur
B-1140 Brussels, Belgium
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Canada
4700 Dixie Road
Mississauga, Ontario L4W 2R1 Canada
(416) 624-5111
Sales and service of Sweda electronic cash registers and point of sale systems.

Sweda International, France
Tour Franklin— CEDEX No. 11
F-92081 Paris La Defense, France
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Germany
Am Heerdter Hof 11-13
Postfach 5128
D-4000 Dusseldorf-Heerdt 1, Germany
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Great Britain
Sweda House
New Street
Aylesbury, Buckinghamshire HP20 2NA
Great Britain
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Italy
Registratori di Cassa Svedesi S.p.A.
Via Leonardo da Vinci 154-162
1-20090 Milano Trezzano, Italy

Sweda de Mexico
Guillermo Prieto 76
Mexico City 4, D.F., Mexico
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Netherlands
Brouwerstratt 4
P.O. Box 224
NL-Amersfoort, Netherlands
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Spain
Apolonia Morales 13
E-Madrid 16, Spain
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Sweden
Vretenvagen 2, Fack
P.O. Box 364
S-172 03 Sundbyberg, Sweden
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Sweda International, Switzerland
Seefeldstrasse 123
Postfach 310
CH-8034 Zurich, Switzerland
Sales and service of Sweda electromechanical, electronic cash registers and point of sale systems.

Triad-Utrad
305 North Briant Street
Huntington, Indiana 46750
(219) 356-7100
Transformers, high voltage power supplies deflection yokes, inductors, conventer-battery charges, inverters ballasts, and ferro-resonant transformers for microwave ovens.

Union/Butterfield
134 Chestnut Hill Avenue
Athol, Massachusetts 01331
(617) 249-3221
Drills, cutters, hobs, reamers, carbide tools, taps, dies, counterbores, end mills.

also:

Derby Line, Vermont 05830
(802) 873-3106
Drills, taps and dies; reamers, end mills, cutters, and hobs in high-speed steel, also carbide tipped and solid carbide.

Mail to:

Belt Line Road
P.O. Box 1239
Gaffney, South Carolina 29340
(803) 489-5751
Drills for the metal working industry.

Union Chain
West Monroe Street
Sandusky, Ohio 44870
(419) 626-4560
Conveyor accessories, conveyor system components, overhead conveyor systems, mine conveyors, power and free chains.

USECO
13536 Saticoy Street
Van Nuys, California 91409
(213) 786-9381
Standard and custom screw machine products; terminals; spacers, inserts, knobs, handles, jacks, pins and terminal boards. Standard and custom molded products; connectors, headers, and insulated terminals. Customer electromechanical assemblies; card cages, connectors and back panel frames.

Valentine Pulp and Paper
P.O. Box 280
Lockport, Louisiana 70374
(504) 532-3314
Production of offset printing and tablet paper from bagasse, a by-product from cane sugar production.

Veam
Via Statuto 2
1-20020 Arese/Milan, Italy
Electronic cylindrical connectors. "Products distributed by Litton Precision Products International"

also:

56 New Wood Road
Watertown, CT 06795
(203) 274-9681

Veam Elektro-Anschulusstechnik GmbH
P.O. Box 1304
Scharnhaeuser Strasse 3
D-7024 Fildestadt 1/Stuttgart
Germany
Electronic cylindrical connectors.

Western Geophysical
10001 Richmond Avenue
Houston, Texas 77042

Mail to:

P.O. Box 2469
Houston, Texas 77001
(713) 789-9600
Land and marine geophysical seismic surveys for petroleum industry; processing and interpretation of field data at five digital service centers.

also:

Bldg. 29, Denver Technical Center
8455 East Prentice
P.O. Box 3118
Englewood, Colorado 80111
(303) 770-8660

Western Geophysical (Canada)
530 71st Avenue S.E.

Mail to:

P.O. Box 5250 Station A
Calgary 9, Alberta, Canada T2H 1X6
(403) 253-7101

Western Geophysical (Great Britain)
455 London Road, Isleworth TW7 5AB
GB-Middx., Great Britain

Western Geophysical (Singapore)
37B Union Industrial Bldg.

Mail to:

Box 94
Thomson Road, P.O.
Singapore 20

Western Geophysical (Thailand)
120/1 Daroon Samran Street
Taladnoi, Muand Khon Kaen
Thailand

Western Ricerche Geofisiche S.p.A.
Piazza della Republica 32
1-20124 Milan, Italy

Westrex
360 North Crescent Drive
Beverly Hills, California 90210
(213) 273-7860

also:

2629 West Olive Avenue
Burbank, California 91505
(213) 846-3394
Manufacture, sale and maintenance of recording equipment for recording studios and projection equipment for theaters; projector carbons; teletype equipment for peripheral computer application; and public address systems equipment.

Westrex Asia
Luk Hoi Tong Bldg.
Room 1302
31 Queen's Road Central
Hong Kong
Sales and service of Westrex, Sweda and Kimball products.

also:

802 Bai Kung Building
490 Tun Hua South Road
Taipei, Taiwan
Sales and service of Litton products.

Westrex Italy
65, Via Constantino Maes
1-00162 Rome, Italy
Sound recording and reproducing equipment for television and motion picture studios.

Westrex UK
Bilton Fairway Estate
Long Drive
Greenford Middlesex
Great Britain
Headquarters for Westrex International operations and all Westrex activities outside the U.S. Manufacture, sale and maintenance of recording equipment for recording studios and projection equipment for theaters; projection carbons; teletype equipment for peripheral computer application; public address systems.

Westrex Orient
Chiyoda Building
Marunouchi, Chiyoda-Ku 14, 2-Chome

Litton Industries, Inc.

Mail to:

Central P.O. Box 760
Tokyo, Japan

Distribution of Litton products; purchase of products manufactured in Japan for export to Litton divisions; technical licensing; exchange of technology and distribution of products between Litton divisions and Japanese firms.

Westrex O.E.M. Products
51 Penn Street
Fall River, MA 02724
(617) 676-1011

also:

1140 Bloomfield Avenue
West Caldwell, NJ 07006
(201) 227-7290

103-105 rue de Tocqueville
75017, Paris, France

A full line of Matrix-DOT line printers, and paper tape, readers/punches.

Winchester Electronics (LPPI)
Main & Hillside Avenue
Oakville, Connecticut 06779
(203) 274-8891

Electronic and electrical connectors for computers and other industrial, commercial and military uses; back panel wirewrap and design; connector accessories and tools; insulated terminals.

also:

Winchester Electronics
(Division of LPPI GmbH)
Otto-Hahn-Strasse 8
D-7100 Biberach/Heilbronn, Germany

Manufacture of connectors for electronic and data processing and telecommunication industries; back panel wirewrap. IDC connectors.

Xcel Mold and Machine
7661 Freedom Street
North Canton, Ohio 44720
(216) 499-8450

Molds for plastic and diecast parts.

Transfer Agent(s):

Litton Industries, Inc.
Shareholder Services
P.O. Box 5555
Beverly Hills, California 90210

Stock Exchange(s): New York, Pacific.

Ticker Symbol: LIT

Number of Employees:

1981	77,000	1978	90,400
1980	75,400	1977	94,000
1979	78,000		

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1981	$ 4,942,835	$ 311,566
1980	4,246,532	290,821
1979	4,087,809	188,887
1978	3,653,209	(90,843)
1977	3,442,924	55,906

	No. of Com. Shares #	Earn. per Share #
1981	39,594,582	$ 7.76
1980	39,254,800	7.27
1979	39,093,040	4.68
1978	38,828,790	—
1977	38,964,353	1.28

(Loss)
‡ Of continuing operations only. Includes service revenues.
# Based on weighted average number of common and preference shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Business systems & equip.	$ 1,022,319	$ 1,008,417
Electronic and electrical products	962,950	925,614
Industrial systems & services	1,288,809	1,001,953
Advance electronic sys.	969,304	733,142
Marine engineering and production	746,659	631,693
Intergroup eliminations	(70,326)	(73,424)
Miscellaneous	23,120	19,137
Total	$ 4,942,835	$ 4,246,532

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	2%	—
1980	—	2%	—
1979	—	2½%	—
1978	—	2½%	—
1977	—	2½%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$1,381,158,000	$ 34.88
1980	1,097,452,000	27.96
1979	845,922,000	21.64
1978	668,999,000	17.23
1977	762,913,000	19.58

‡ After allowing for preferred stock at liquidation value.
# Based on weighted average number of common and preference shares outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended July 31	1981	1980
Sales and service revenues	$ 4,492,835	$ 4,246,532
Cost of sales	3,610,257	3,024,043
Expenses	739,844	662,247
Depreciation	126,514	105,638
Interest expense (income)	(93,873)	(56,990)
Currency adjustments	(10,898)	(2,282)
Gain on sale	(9,438)	(21,784)
Income before taxes	$ 580,429	$ 535,660
Income taxes	268,863	244,839
Net Income	$ 311,566	$ 290,821

Assets
(000's)

As of July 31	1981	1980
Cash & market secur.	$ 1,093,610	$ 788,160
Short-term invest.	154,300	220,000
Accts. receiv., net	784,533	712,116
*Inventories	577,597	633,489
Prepaid expenses & taxes	148,198	121,389
Current Assets	$ 2,758,238	$ 2,475,154
Minority interest	68,918	60,513
Investments	36,013	24,723
#Fixed assets	775,723	656,620
Other assets	14,843	9,051
Intangibles	33,871	38,230
Total Assets	$ 3,687,606	$ 3,264,291

Liabilities
(000's)

Notes payable	$ 57,709	$ 143,287
Long-term debt & cap. lease oblig., curr.	34,910	48,902
Accts. payable	467,032	414,439
Payroll expenses	232,233	214,801
Income taxes	179,508	42,381
Cust. deposits & cust. liab.	834,460	795,970
Curr. Liabilities	$ 1,805,952	$ 1,659,780
Long-term liabilities	96,640	123,706
Capital lease commitments	124,615	126,993
Conv. subord. deben.	7,527	12,797
Deferred income	34,794	41,154
Deferred inc. taxes	195,497	132,989
+ Preferred stock:		
Series A	—	333
Series B	10,356	11,145
+ + Preference stock	—	2,427
+ + + Common stock	39,472	36,923
Add. paid-in capital	544,128	496,186
Retained earnings	828,625	619,858
Total Liabilities & Shareholders' Equity	$ 3,687,606	$ 3,264,291

* Raw materials stated at lower of cost (FIFO) or market. Work in process and finished goods stated at average cost.
# Less accumulated depreciation.
+ $5 par value, cumulative convertible.
+ + $2.50 par value, convertible, participating.
+ + + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.74	12.61
%Net Income to Sales	6.30	6.85
%Net Income to Equity	21.90	24.92
Working Capital	$ 952,286,000	$ 801,841,000
Current Ratio	1.53	1.48
Shareholders' Equity	$1,422,581,000	$1,166,872,000

Lloyd's Electronics, Inc.

180 Raritan Center Parkway
Edison, New Jersey 08817
(201) 225-2030

Officers: Abraham Zagha, chairman of the board, president & chief executive officer; Hans Wedin, sr. v.p.-Far East operations; Robert Hackenberg, Arie Hanin, v.p.'s; Robert Barnes, v.p.-USA operations; Walter Cruickshank, secretary & treasurer; Eugene Rissetto, David Spradley, vice presidents-Far East operations.

Directors: Abraham Zagha, chairman; Hans Wedin, Robert Hackenberg, Arie Hanin, Anthony R. Russo.

Areas of Work: Designs imports, assembles and markets home and portable audio products including: home stereo systems, AM/FM receivers, portable radios, digital clock radios, cassette recorders and cartridge tape players, stereo phonographs and calculators.

Transfer Agent(s):

Chemical Bank
770 Broadway
New York, New York 10003

Union Bank
445 South Figueroa
Los Angeles, California 90054

Stock Exchange(s): American

Ticker Symbol: LYD

Number of Employees:

1981	145

Plant Footage:

1981 . . . . . . 221,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 51,360,200	$ (5,857,400)
1980	90,814,200	(5,615,100)
1979	108,442,400	(2,595,800)
1978	116,542,400	(3,024,400)
1977	107,309,000	1,428,800

	No. of Com. Shares #	Earn. per Share ‡#
1981	1,895,770	$ —
1980	1,895,770	—
1979	1,895,723	—
1978	1,894,107	—
1977	1,893,194	0.76

(Loss)

‡ Including extraordinary gain of $981,500 ($0.52 per share) in 1980.

# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Home entertainment Syst.	29.2%	33.1%	45.7%	47.0%
Radios	48.5	35.8	28.5	23.7
Tape players & recorders	11.3	16.1	16.2	8.9
Calculators	7.8	8.7	9.2	13.2
Home Video Games	—	—	—	1.9
Other	3.2	6.3	.4	5.3
Total	100.0%	100.0%	100.0%	100.0%

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 1,854,800	$ 0.98
1980	7,712,200	4.07
1979	13,327,300	7.03
1978	15,922,300	8.41
1977	18,928,800	10.00

# Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Mar. 31	1981	1980
Net Sales	$ 51,360,200	$ 90,814,200
Cost of Sales	42,657,400	69,817,400
Expenses	7,893,700	17,724,300
Interest expense	7,762,200	5,684,000
For curr. trans.	156,400	(110,400)
Prov. for doubtful accts.	1,111,700	798,800
Loss before taxes	$ (5,221,200)	$ (3,099,900)
Loss rel. to dispo of oper.	227,900	1,587,700
Income taxes	408,300	1,909,000
Net Loss	$ (5,857,400)	$ (6,596,600)
Extraord. gain	—	981,500
Net Loss & Extraord. gain	$ (5,857,400)	$ (5,615,100)

* Included in Costs and Expenses, Depreciation and Amortization; $719,100 in 1981 and $1,222,900 in 1980.

Assets

As of Mar. 31	1981	1980
Cash	$ 683,500	$ 658,500
Accts. receiv., net	1,377,400	7,728,000
Note receiv., curr.	505,800	—
*Inventories	10,301,500	23,925,800
Prepaid expense	101,300	422,600
Current Assets	$ 12,969,500	$ 32,734,900
Note receiv.	1,770,300	—
Inv. & adv. to joint venture	—	115,800
#Fixed assets	4,558,400	5,525,500
Other assets	177,800	229,500
Total Assets	$ 19,476,000	$ 38,605,700

Liabilities

Notes payable	$ —	$ 3,879,000
Acceptances pay.	2,098,400	5,690,300
Due to factor	7,429,100	6,791,000
Cap. lease oblig. & equip. contr. pay., curr.	97,800	132,600
Accounts payable	1,400,800	4,506,500
Accrued expenses	2,017,400	3,402,500
Taxes payable	318,600	621,000
Est. loss rel. to dispos. of oper.	—	1,587,700
Curr. Liabilities	$ 13,362,100	$ 26,610,600
Cap. lease oblig.	4,198,100	4,241,500
Equip. contracts pay.	61,000	41,400
+Common stock	1,430,800	1,430,800
Add. paid-in capital	4,898,500	4,898,500
Retained earnings	(4,372,500)	1,484,900
Treasury stock	(102,000)	(102,000)
Total Liabilities & Shareholders' Equity	$ 19,476,000	$ 38,605,700

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.75 par value.

Lockheed Aircraft Corporation

2555 North Hollywood Way
Burbank, California 91520
(213) 847-6121

P.O. Box 551
Burbank, California 91520

Officers: Roy A. Anderson, chairman of the board & chief executive officer; Lawrence O. Kitchen, president & chief operating officer; Jack J. Catton, sr. v.p.-business development; John E. Cavanagh, sr. v.p. & general counsel; Robert F. Conley, sr. v.p.-Middle East; Vincent N. Marafino, sr. v.p.-finance; Robert H. Wertheim, sr. v.p.-science & engineering; Norman L. Benjamin, v.p.-human resources; F.A. Cleveland, v.p.-engineering; Richard K. Cook, v.p.-Washington area; H. David Crowther, v.p.-corporate communications; Charles de Bedts, v.p.-international & commercial marketing; W. Paul Frech, v.p.-operations; Robert R. McKirahan, v.p. & treasurer; Robert H. Northcutt, Jr., v.p. & controller; Thomas J. O'Hara, v.p.-contracts & pricing; James J. Ryan, v.p., secretary & asst. general counsel; Richard W. Taylor, v.p.-strategic planning; Joseph G. Twomey, v.p. & chief counsel; A. Gene Otsea, asst. treasurer; Sam F. Pearce, asst. secretary & asst. chief counsel.

Directors: Roy A. Anderson*, Michael Berberian, Edward W. Carter, Gilbert R. Ellis, Joseph R. Rensch, Joseph P. Downer*, Houston I. Flournoy*, Robert A. Fuhrman, Vincent N. Marafino, Lawrence O. Kitchen*, Leslie N. Shaw*, Fred M. Vinson, Jr., John T. Gurash*, Jack K. Horton*, John E. Swearingen.

* Member of Executive Committee.

Areas of Work: The company is engaged in the manufacture of military and commercial aircraft; space and missile programs, aircraft servicing; data recording and analysis systems; electronic marine equipment; aircraft training aids; tactical and airborne radar, spacecraft and commercial recorders; gunfire controls; checkout and test equipment; fuel oil computer registers; computer memory systems and components; computer services; deep submergence vehicles; information systems; shipbuilding and repair; energy management systems; environmental monitoring and clean-up.

Divisions and Subsidiaries:

Lockheed Aircraft Service Company
Ontario, California 91761
(714) 988-2411

Lockheed-California Company
Burbank, California 91520
(213) 847-6121

Lockheed-Georgia Company
Marietta, Georgia 30063
(404) 424-9411

Lockheed Electronics Company, Inc.
Plainfield, New Jersey 07061
(201) 757-1600

Lockheed Missiles & Space Company, Inc.
Sunnyvale, California 94086
(408) 742-4321

Lockheed Air Terminal, Inc.
Burbank, California 91510
(213) 847-6121

Lockheed Shipbuilding and Construction Company
Seattle, Washington 98134
(206) 292-5656

Murdock Machine and Engineering Company of Texas
Irving, Texas 75061
(214) 255-0511

Lockheed Finance Corporation
Glendale, California 91203

Lockheed Aircraft International A.G.
Riyadh, Saudi Arabia

CADAM, Inc.
Burbank, California 91510

DIALOG Information Services, Inc.
Palo Alto, California 94304

Lockheed Data Plan, Inc.
Los Gatos, California 95030

Lockheed Engineering and Management Services Co., Inc.
Houston, Texas 77058

Transfer Agent(s):

First Interstate Bank
P.O. Box 3667
Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: LK

Number of Employees:

1981	71,300	1978	61,500
1980	74,600	1977	55,100
1979	66,500		

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1981	$ 5,176,000	$ (289,000)
1980	5,396,000	28,000
1979	4,058,000	57,000
1978*	3,485,000	64,900
1977	3,347,800	55,400

	No. of Com. Shares	Earn. per Share ‡†
1981	12,076,569	$ —
1980	11,943,555	1.53
1979	11,765,291	3.56
1978	11,598,853	4.21
1977	11,402,190	3.71

(Loss)

* 53 weeks.

+ Of continuing operations only.

† Including extraordinary gains of $23,000,000 in 1981 and $20,000,000 in 1979.

‡ Based on weighted average number of shares of common stock outstanding and common stock issuable.

Revenues By Line of Business
(000's)

	1981	1980
Aircraft & related services	$ 1,931,000	$ 1,797,000
Aerospace support	622,000	447,000
Missiles, space, & electronics	2,445,000	2,080,000
Shipbuilding	178,000	121,000
Total	$ 5,176,000	$ 4,445,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 42,600,000‡	$ 3.53
1980	306,000,000	25.62
1979	283,000,000	24.05
1978	231,000,000	19.92
1977	170,000,000	14.91

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/27/81	12/28/80
Net sales	$ 5,175,800	$ 4,444,800
Cost of sales & exp.	4,715,200	4,101,900
Other expense (income)	(11,200)	100
Interest expense	186,200	106,100
Income before taxes	$ 285,600	$ 236,700
Income taxes	130,900	101,400
Inc.—cont. oper.	$ 154,700	$ 135,300
Loss—discont. oper.	(466,300)	(107,700)
Net Income (Loss)	$ (311,600)	$ 27,600
Extraord. gain	22,800—	—
Net Income (Loss) & Extraord. Gain	$ (288,800)	$ 27,600

* Included in Costs and Expenses, Depreciation and Amortization: $77,100,000 in 1981 and $58,100,000 in 1980.

Assets
(000's)

As of	12/27/81	12/28/80
Cash	$ 51,100	$ 44,200
Accts. receiv., net	517,400	518,500
Deferred tax charges	253,900	32,800
*Inventories	589,800	1,031,600
Prepaid expenses	45,200	55,500
Current Assets	$ 1,457,400	$ 1,682,600
Investments	53,100	42,200
#Fixed assets	541,800	415,100
Other assets	52,500	302,600
Total Assets	$ 2,104,800	$ 2,442,500

Liabilities
(000's)

Accts. payable	$ 383,500	$ 434,600
Customer advances	107,200	157,600
Retirement plan contrib.	68,300	66,600
Income taxes	33,800	29,800
Accrued payroll	208,600	187,000
Other liabilities	438,900	349,800
Curr. Liabilities	$ 1,240,300	$ 1,225,400
Long-term debt	708,500	713,600
Deferred inc. taxes	—	52,700
Subord. deben.	14,600	101,100
+ Redeemable preferred stock	36,200	43,500
+ $11.25 covert. pref. stock	600	—
+ Common stock	12,100	11,900
Add. paid-in capital	71,500	91,900
Retained earnings (Deficit)	21,000	202,400
Total Liabilities & Shareholders' Equity	$ 2,104,800	$ 2,442,500

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	9.02
Sales to Inventories	8.78	4.31
Working Capital	$217,100,000	$457,200,000
Current Ratio	1.18	1.37
Shareholders' Equity	$105,200,000	$306,000,000

LogEtronics Inc.

7001 Loisdale Road
Springfield, Virginia 22150
(703) 971-1400

Officers: Gordon O.F. Johnson, chairman of the board; William K. Marrinan, president; Charles N. Keating, Jr. Gerald A. Nathe, senior vice presidents; Ira R. Kohlman, v.p.; Martin F. Moser, v.p. & treasurer; Stephen B. Clarkson, secretary; Gregory A. Maio, controller; William M. Mohler, asst. treasurer & asst. secretary.

Directors: Gordon O.F. Johnson, Ronald S. Johnson, James F. Morgan, Martin M. Rosen, W. Hardie Shepard, William K. Marrinan, P. Bjarne Jensen, Gerald A. Nathe.

Areas of Work: Engaged in the development and manufacture of high quality graphic arts cameras and automatic film processors; also produces cathode-ray tube printers serving the medical radiography and aerial photography markets.

Subsidiaries:

LogE/Robertson, Inc.
1250 West Touhy Avenue
Elk Grove Village, Illinois 60007

LogEtronics AG
Forrlibuckstrasse 110
8005 Zurich, Switzerland

LogEtronics GmbH
Frankfurterstrasse 16-40
D-6236 Eschborn, West Germany

LogEtec AG
Forrlibuckstrasse 110
8005 Zurich, Switzerland

Luth International A/S of 1979 (50% owned)
Merkurvej 2
4200 Slagelse, Denmark

LogE/CompuSlide, Inc.
1801 Century Park East
Los Angeles, California 90067

LogE/Dunn Instruments, Inc.
544 Second Street
San Francisco, California 94107

LogE/Interpretation Systems Incorporated
6322 College Boulevard
Overland Park, Kansas 66211

LogE/Spatial Data Systems, Inc.
508 South Fairview Avenue
Goleta, California 93117

Photographic Corporation of America
65 Meadow Street
Warwick, Rhode Island 02887

Acquisition(s):

Interpretation Systems Incorporated
6322 College Boulevard
Overland Park, Kansas 66211
Manufactures analog and digital image display and analysis systems primarily for the remote sensing, geophysical and related markets.

Spatial Data Systems, Inc.
508 South Fairview Avenue
Goleta, California 93117
Manufactures a line of image display and analysis systems for use in industrial testing and inspection applications and for biomedical and scientific research.

Dunn Systems, Inc.
544 South Second Street
San Francisco, California 94107
Manufactures cathode ray tube photographic recording systems for computer generated pictures in medical radiography, remote sensing and business graphics. A subsidiary of Dunn Systems, CompuSlide, Inc., manufactures and markets stand-alone computer systems to analyze and present business data in pictoral/graphic form.

Transfer Agent(s):

United Virginia Bank
900 East Main Street
Richmond, Virginia 23219

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LOGE (NASDAQ)

Number of Employees:

1981	555	1978	368
1980	355	1977	328
1979	406		

Plant Footage:

1981 ...... 202,500 sq. ft.

Sales and Earnings #

	Net Sales	Net Income +
1981	$ 31,957,000	$ 1,904,000
1980	32,773,000	1,475,000
1979	30,642,000	1,141,000
1978	23,726,000	1,219,000
1977	18,135,000	805,000

	No. of Com. Shares	Earn. per Share ‡ +
1981	1,342,000	$ 1.62
1980	1,169,000	1.27
1979	1,162,000	1.00
1978	1,134,000	1.11
1977	1,085,000	0.74

# Restated to include operations of companies acquired in a pooling of interests basis.
‡ Based on the weighted average number of common shares outstanding.
+ Including extraordinary credit of $110,000 ($0.10 per share) in 1978.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.20	—	—
1979	0.20	—	—
1978	0.20	—	—
1977	0.20	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 16,846,000	$ 12.56
1980	13,047,000	11.16
1979	11,727,000	10.09
1978	10,550,000	9.31
1977	8,955,000	8.25

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 31,957	$ 32,773
Other income	357	191

	1981	1980 ‡
Total income	$ 32,314	$ 32,964
Cost of sales	22,285	22,394
Expenses	8,756	7,970
Translation losses	119	25
Loss on sale of prod. line	—	184
Income before taxes	$ 1,154	$ 2,391
Income taxes	495	1,260
Reversal of deferred inc.	(956)	—
Eq. in inc. of unconsol. co.	(289)	(3440
Net Income	$ 1,904	$ 1,475

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $298,000 in 1981 and $347,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & cash equivalents	$ 487	$ 1,126
Accts. receiv., net	9,962	7,879
*Inventories	12,958	8,291
Prepaid inc. taxes	357	326
Other assets	195	157
Current Assets	$ 23,959	$ 17,779
#Fixed Assets	2,148	1,618
Other assets	7,387	1,672
Total Assets	$ 33,494	$ 21,069

Liabilities
(000's)

	1981	1980 ‡
Long-term debt, curr.	$ 1,227	$ 55
Notes payable	1,428	301
Accts. payable	4,983	2,764
Accruals	2,850	2,162
Dividends payable	235	217
Income taxes	206	303
Curr. Liabilities	$ 10,929	$ 5,802
Lease oblig.	799	816
Long-term debt	4,920	473
Deferred inc. taxes	—	931
+Common stock	245	217
Add. paid-in capital	7,510	5,419
Retained earnings	9,892	8,223
Treasury stock	(801)	(812)
Total Liabilities & Shareholders' Equity	$ 33,494	$ 21,069

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.16⅔ par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	3.61	7.30
%Net Income to Sales	5.96	4.50
%Net Income to Equity	11.30	11.31
Sales to Inventories	2.47	3.95
Working Capital	$13,030,000	$11,977,000
Current Ratio	2.19	3.06
Shareholders' Equity	$16,846,000	$13,047,000

Logicon, Inc.

3701 Skypark Drive
Torrance, California 90505
(213) 373-0220

Officers: John R. Woodhull, president & chief executive officer; Robert G. Walden, sr. v.p. & chief financial officer; James D. Hogan, senior vice president; E. James Tibbs, Donald L. Farr, Frank T. Cummings, Hugh E. Beatty, Richard J. McGrath, James P. Brown, vice presidents; Ralph L. Webster, v.p. & controller; John K. Brigden, secretary

Directors: John R. Woodhull, James D. Hogan, John K. Brigden, W. Edgar Jessup, Jr., Robert S. Dickerman, John R. Johnson, Roland R. Speers.

Areas of Work: Provides high technology products and services to industry and government, including commercial products, process control, defense and training systems.

Divisions:

Strategic and Information Systems Division
255 West Fifth Street
San Pedro, California 90731
(213) 831-0611

Tactical and Training Systems Division
Sorrento Valley Boulevard
San Diego, California 92121
(714) 455-1330

Process Systems Division
10398 Democracy Lane
Fairfax, Virginia 22030
(703) 591-2450

Operating Systems, Inc.
21301 Ventura Boulevard
Woodland Hills, California 91364
(2139 887-4950

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American

Ticker Symbol: LGN

Number of Employees:

1982	990	1979	1,000
1981	1,072	1978	882
1980	975		

Plant Footage:

1982	300,000 sq. ft.	1979	240,000
1981	265,000	1978	265,000
1980	250,000		

Sales and Earnings

	Revenues †	Net Income
1982	$ 61,972,000	$ 2,479,000
1981	52,433,000	1,795,000
1980	43,286,000	1,955,000
1979	40,351,000	1,462,000
1978	30,552,000	836,000

	No. of Com. Shares ‡	Earn. per Share +
1982	1,976,000	$ 1.23
1981	1,948,000	0.92
1980	1,816,000	1.06
1979	1,796,000	0.80
1978	1,776,000	0.46

† Of continuing operations only.
‡ Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.175	—	2-for-1
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1982	$ 16,366,000	$ 8.28
1981	13,911,000	7.14
1980	11,671,000	6.43
1979	9,652,000	5.37
1978	8,117,000	4.57

+ Adjusted to reflect stock split.

Income Account *

Year ended March 31	1982	1981
Services & products	$ 61,340,000	$ 52,057,000
Interest	632,000	376,000
Total Income	$ 61,972,000	$ 52,433,000
Cost of services & products	50,315,000	43,272,000
Expenses	5,791,000	4,391,000
Loss attrib. to Nortech	32,000	624,000
Interest expense	16,000	32,000
Income before taxes	$ 5,818,000	$ 4,114,000
Income taxes	2,872,000	2,064,000
Inc.-cont. oper.	$ 2,946,000	$ 2,050,000
Loss-discont. oper.	(467,000)	(255,000)
Net Income	$ 2,479,000	$ 1,795,000

* Included in Costs and Expenses, Depreciation and Amoritization: $595,000 in 1982 and $647,000 in 1981.

Assets

As of March 31	1982	1981
Cash	$ 345,000	$ 806,000
Short-term invest.	5,618,000	1,300,000
Accts. receiv., net	19,050,000	16,774,000
*Inventories	—	2,395,000
Prepaid expenses	444,000	392,000
Current Assets	$ 25,457,000	$ 21,667,000
#Fixed assets	2,114,000	1,825,000
Excess of purchase price	256,000	287,000
Other assets	—	650,000
Total Assets	$ 27,827,000	$ 24,429,000

Liabilities

	1982	1981
Accts. payable	$ 1,540,000	$ 2,144,000
Accruals	6,234,000	5,809,000
Income taxes	3,047,000	1,933,000
Curr. Liabilities	$ 10,821,000	$ 9,886,000
Deferred compensation	640,000	632,000
+Common stock	198,000	97,000
Add. paid-in capital	2,941,000	2,821,000
Retained earnings	13,490,000	11,356,000
Unearned compensation	(263,000)	(363,000)
Total Liabilities & Shareholders' Equity	$ 27,827,000	$ 24,429,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1982	1981
%Net Income to Equity	15.15	12.90
Working Capital	$14,636,000	$11,781,000
Current Ratio	2.35	2.19
Shareholders' Equity	$16,366,000	$13,911,000

Loral Corporation

600 Third Avenue
New York, New York 10016
(212) 697-1105

Officers: Bernard L. Schwartz, chairman of the board & chief executive officer; Frank C. Lanza, president & chief operating officer; Michael P. DeBlasio, sr. v.p.-finance; Henry David Epstein, sr. group v.p.; Dale L. Peterson, group v.p. & president - Frequency Sources West; Eugene J. Veracka, group v.p. & president - Frequency Sources East; Kenneth Years, group v.p. & president - Loral Conic; Stephen L. Jackson, v.p.-administration; Irving Kaufman, v.p. & president - Loral Electronic Systems; Robert V. LaPenta, v.p. & controller; Morris H. Miller, v.p. & president - Loral Metals Technology; J. Daniel Proctor, v.p. & president - Loral Packaging; Michael B. Targoff, v.p.; Edward N. Wilson, v.p. & secretary; Harold Penn, treasurer.

Loral Corporation

Directors: Bernard L. Schwartz*, chairman; Homer Chapin, Robert B. Hodes*, Gershon Kekst*, E. Donald Shapiro, Allen Shinn, Malvin Ruderman, Frank C. Lanza.

*Members of Executive Committee

Areas of Work: Designs, develops, and manufactures defense electronic systems including electronic countermeasures, surveillance and reconnaissance. Also manufactures communications systems, UHF and VHF transceivers and teletypewriters. Fabricates precision optical and navigation equipment from beryllium for satellite, missile and aircraft applications. Designs, molds and decorates plastic packaging for consumer products.

Divisions and Subsidiaries:

Loral Electronic Systems
825 Bronx River Avenue
Bronx, New York 10472
(212) 378-2300

999 Central Park Avenue
Yonkers, New York 10704
(914) 968-2500

325 Central Park Avenue
White Plains, New York 10606
(914) 682-9797

6765 Peachtree Industrial Blvd.
Atlanta, Georgia 30360
(404) 448-1604

Develops and manufactures sophisticated avionics systems used on military aircraft for electronic warfare, antisubmarine warfare, navigation and data display.

Loral Metal Technology, Inc.
P.O. Box 117
Televast, Florida 33578
(813) 355-5105

Precision machining of beryllium materials into components and subsystems for aerospace vehicles and support equipment.

Loral Packaging Corporation
520 South Avenue
Garwood, New Jersey 07027
(201) 789-0900

1700 So. Hillman Ave.
Ontario, California 91761
(714) 983-0556

Manufactures bottles, vials and jars for the pharmaceutical, cosmetic and food industries.

Loral Data Systems
9020 Balboa Avenue
San Diego, California 92123
(714) 279-0411

Supplies telemetry equipment for military applications.

Frequency Sources, Inc. – East
16 Maple Road
Chelmsford, MA 01824
(617) 256-4113

Frequency Sources, Inc. – West
3140 Alfred Street
Santa Clara, CA 95050
(408) 727-8500

Rantron Systems
130 Constitution Drive
Menlo Park, CA 94025
(415) 326-9500

Aercom Industries
405 Tasman Drive
Sunnyvale, CA 94086
(408) 744-1320

Number of Employees:

1981 4,100

Plant Footage:

1981 . . . . . . 1,300,000 sq. ft.

Sales and Earnings †

	Net Sales +	Net Income
1981	$ 212,628,000	$ 20,548,000
1980	180,558,000	14,172,000
1979	148,234,000	11,344,000
1978	130,272,000	9,302,000
1977	105,646,000	7,487,000

	No. of Com. Shares ‡	Earn. per Share ×
1981	10,121,000	$ 2.00
1980	9,976,000	1.69
1979	8,985,000	1.49
1978	8,330,000	1.27
1977	8,194,000	1.03

† Restated to include operations of companies acquired on a pooling of interests basis.
+ Of continuing operations.
‡ Adjusted to reflect stock split.
× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Electronic warfare	$ 160,635	$ 134,466
Electronic communications	30,767	29,250
Other	21,226	16,842
Total	$ 212,628	$ 180,558

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.63	—	—
1980	0.525	—	2-for-1
1979	0.425	—	—
1978	0.325	—	—
1977	0.15	—	—

+ Adjusted to reflect stock split.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 135,920,000	$ 13.43
1980	118,558,000	11.88
1979	47,130,000	5.25
1978	35,690,000	4.28
1977	27,711,000	3.38

† Restated.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended March 31	1981	1980 ‡
Net sales	$ 212,628	$ 180,558
Cost of sales & expenses	183,466	155,906
Interest income	(8,995)	(4,002)
Interest expense	2,291	2,486
Other income	(57)	(333)
Income before taxes	$ 35,923	$ 26,501
Income taxes	15,375	12,329
Net Income	$ 20,548	$ 14,172

* Included in Costs and Expenses, Depreciation and Amortization: $5,107,000 in 1981 and $3,863,000 in 1980.

Assets
(000's)

As of March 31	1981	1980 ‡
Cash	$ 1,198	$ 3,323
Market. securities	73,719	71,629
Accts. receiv.	39,170	35,838
*Inventories	57,263	49,421
Other curr. assets	2,382	1,547
Current Assets	$ 173,732	$ 161,758
#Fixed assets	35,592	23,226
Intangibles	6,991	6,588
Total Assets	$ 216,315	$ 191,572

Liabilities
(000's)

	1981	1980 ‡
Advances	$ 2,683	$ 13,136
Accts. payable	13,991	12,677
Accruals	15,985	14,001
Income taxes	19,942	10,209
Curr. Liabilities	$ 52,601	$ 50,023
Long term debt	22,937	22,581
Deferred inc. taxes	4,857	410
+Common stock	2,530	2,495
Add. paid-in capital	74,436	71,589
Retained earnings	58,954	44,474
Total Liabilities & Shareholders' Equity	$ 216,315	$ 191,572

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	16,89	14.68
%Net Income to Sales	9.66	7.85
%Net Income to Equity	15.12	11.95
Sales to Inventories	3.71	3.65
Working Capital	$121,131,000	$111,735,000
Current Ratio	3.30	3.23
Shareholders' Equity	$135,920,000	$118,558,000

The LTV Corporation

LTV Tower
P.O. Box 225003
Dallas, Texas 75265
(214) 742-9555

Officers: Paul Thayer, chairman of the board & chief executive officer; Raymond A. Hay, president & chief operating officer; Sheldon M. Lambert, sr. v.p.-corporate planning; Walter E. Meyer, sr. v.p.-personnel; James J. Paulos, sr. v.p. & chief financial officer; Julian Scheer, sr. v.p.-corporate affairs; G. Emmett Smith, sr. v.p. & general counsel; W.J. Amoss, Jr., group v.p.-Lykes Bros. Steamship Co., Inc.; Lee A. Drake, group v.p.-Continental Emsco Company; Thomas C. Graham, group v.p.-Jones & Laughlin Steel Corporation; Robert L. Kirk, group v.p.-Vought Corporation; Bernard L. Brown, v.p. & treasurer; John W. Johnson, v.p.-advertising; John K. Meagher, v.p.-government relations; B.F. Oram, R.C. Rieder, v.p.'s; Steven R. Polcyn, Jr., v.p.-public relations; James F. Powers, v.p. & controller; John D. Sipes, v.p.-financial operations & analysis; Fred C. Ash, secretary.

Directors: Paul Thayer*, chairman; Chester H. Ferguson*, Raymond A. Hay*, William H. Bricker, Albert V. Casey, Russell DeYoung*, John J. Elmore, Thomas C. Graham, Maurice F. Granville, Edward C. Joullian, III, Howard R. Lilley*, Charles P. Lykes, Joseph T. Lykes, Jr.*, Howard W. McCall, Jr., James M. Roche, A. Bronson Thayer.

* Member of Executive Committee.

Areas of Work: A multi-industry operating company engaged in four basic industries: steel, energy products and services, aerospace, meat and food products, and ocean shipping. It conducts its operations through Jones & Laughlin Steel Corporation and Youngstown Sheet and Tube Company, Continental Emsco Company, Vought Corporations and Kentron International, Inc., Wilson Food Corporation and Lykes Bros. Steampship Co., Inc.

Subsidiaries:

Vought Corporation
(formerly LTV Aerospace Corporation)
P.O. Box 5907
Dallas, Texas 75222
(214)742-9555

Primarily engaged in the design, development and production of military aircraft, commercial aircraft components, missiles, space launch vehicles and other aerospace products, and in furnishing related administrative and technical support services. Also engaged in the research, design, and development of surface transportation systems.

Jones & Laughlin Steel Corporation
3 Gateway Center
Pittsburgh, Pennsylvania 15263
(412) 565-3240

Fully integrated steel producer offering diversified line of carbon steel products which includes hot and cold rolled sheet. tin mill and other flat rolled coated products, hot rolled and cold finished bars, tubular products, light plated and structural shapes and rod and wire products. Youngstown Sheet & Tube Company operations complement those of Jones & Laughlin.

Kentron International, Inc.

Design, engineering, installation, maintenance and operation of communications systems, missile and satellite tracking systems, telemetry systems, data processing and optical instrumentation. Also offers complete base facilities support, test range and test center management, automatic data processing services and logistics engineering and support, including technical publications, training and documentation services.

Continental-Emsco Company

Product line includes a complete range of drilling equipment such as derricks, drawworks, mud pumps, swivels, blocks, rotary machines and other complementary equipment for land-based and offshore rigs, surface and subsurface production equipment and slurry pumping equipment. Also, one of the world's largest manufacturers of marine transfer systems used to load and unload huge volumes of petroleum products to and from the smallest tankers or the largest supertankers.

Lykes Corporation
300 Poydras Street
New Orleans, Louisiana 70130
(504) 523-6611

Engaged in the steel and ocean shipping industries.

Transfer Agent(s):

Mercantile National Bank at Dallas
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): New York, Pacific

Ticker Symbol: LTV

Number of Employees:

1981	53,000	1978	60,500
1980	54,000	1979	41,800
1979	57,100		

Sales and Earnings

	Net Sales † (000's)	Net Income + (000's)
1981	$ 7,510,700	$ 386,300
1980	5,743,000	127,900
1979	5,658,000	173,500
1978	3,066,300	39,600
1977	2,761,600	(53,200)

	No. of Com. Shares	Earn. per Share + ‡
1981	48,188,594	$ 7.97
1980	35,792,803	3.95
1979	24,644,543	6.03
1978	23,757,459	2.33
1977	13,310,806	—

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $7,100,000 ($0.26 per share) in 1979 and $20,674,000 ($1.43 per share) in 1977.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Steel	$ 4,785,600	$ 3,800,200
Energy prods. & serv.	2,081,000	1,218,000
Aerospace	797,300	652,000
Ocean shipping	457,000	412,800
Interseg. eliminations	(610,200)	(340,000)
Total	$ 7,510,700	$ 5,743,000

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales & revenues	$ 7,510,700	$ 5,743,000
Cost of sales	6,440,900	5,104,500
Expenses	378,600	300,500
Depreciation & Amortization	134,200	120,900
Interest & debt discount.	118,500	144,000
Interest & other income	(53,600)	(57,500)
Gains from debt. cancel.	(12,000)	(29,900)
Income before taxes	$ 504,100	$ 160,500
Income taxes	99,100	24,000
Income from cont. oper.	$ 405,000	$ 136,500
Loss from discont. oper.	(18,700)	(8,600)
Net Income	$ 386,300	$ 127,900

Assets
(000's)

As of Dec. 31	1981	1980
Cash & temp. invest.	$ 143,700	$ 69,500
Receivables-net	871,200	784,900
*Inventories	1,154,100	972,500
Prepaid assets	39,000	34,900
Current Assets	$ 2,208,000	$ 1,861,800
Investments & other assets	239,100	234,300
#Fixed assets	1,885,600	1,625,100
Assets of Wilson Foods Corp.	—	105,300
Total Assets	$ 4,332,700	$ 3,826,500

Liabilities
(000's)

Notes payable	$ —	$ 50,600
Long-term debt & cap. lease oblig., curr.	18,700	19,200
Accts. payable	472,600	469,100
Accrued liabilities	646,300	569,500
Income taxes	72,400	32,300
Curr. Liabilities	$ 1,210,000	$ 1,140,700
Long-term debt	1,295,400	1,395,100
Emp. comp. & benefits	336,700	357,800
Deferred inc. taxes	95,900	26,500
Other liab.	88,500	79,600
+ Series A preferred stock-mandatory redemp.	20,800	20,800
+ + Series 1 preference stock	400	1,000
+ + + Class AA special stock	300	400
+ + + + Common stock	24,100	17,900
Add. paid-in capital	618,100	438,600
Retained earnings	662,200	262,500
Exc. of redemp. value over par-Series A pref.	(19,700)	(19,700)
Applic. to Wilson Foods Corp.	—	15,300
Total Liabilities & Shareholders' Equity	$ 4,332,700	$ 3,826,500

* At cost (LIFO) or at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value; $5 cumulative.
+ + $0.50 par value; dividends equal 110% of cash dividends declared.
+ + + $0.50 par value; 3% cumulative.
+ + + + $0.50 par value.

Statistical Summary

%Net Income to Equity	30.05	15.87
Sales to Inventories	6.51	5.91
Working Capital	$ 998,000,000	$721,100,000
Current Ratio	1.82	1.63
Shareholders' Equity	$1,285,400,000	$806,000,000

Lundy Electronics & Systems, Inc.

Glen Head, New York 11545
(516) 671-9000

Officers: William N. Stout, president and chief executive officer; David Seltzer, exec. v.p. and treasurer; Samuel W. Adams, v.p.-sales and marketing; J.E. Duquette, v.p -operations; James E. Henning, v.p. and gen. mgr.-Lundy Technical Center; Rose Clayton, secretary.

Directors: David Seltzer, Russell B. Clarke, William N. Stout, Nicholas W. Edwards, Leo Silverstein.

Areas of Work: Engaged in the development of defense systems such as electronic countermeasures and penetration aids for both aircraft and missiles. Produces computer peripheral banking systems, computer graphics display equipment, Optical Character Recognition (OCR) page and document readers, and MICR (Magnetic Ink Character Recognition) data entry systems.

Divisions:

Defense Systems Division
Lundy Technical Center
3901 N.E. 12th Avenue
Pompano Beach, Florida 33064
(305) 943-1500

Lundy-Farrington Division
Computer Peripheral Division
5535 Wilkinson Boulevard
Charlotte, North Carolina 28208
(704) 394-1161

Subsidiaries:

Lundy-Farrington Ltd.
18 Ordnance Row
Portsmouth, Hampshire
PO 13DN, England

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: LDY

Number of Employees:

1980	500	1978	611
1979	N/A*		

* Not Available

Plant Footage:

1981	278,000 sq. ft.	1979	121,000
1980	121,000	1978	121,000

Sales and Earnings

	Net Sales †	Net Income #
1981	$ 24,169,431	$ 826,126
1980	20,710,156	2,566,106
1979	24,476,981	641,384
1978	15,147,370	272,899
1977	17,404,298	214,265

Lundy Electronics & Systems, Inc.

	No. of Com. Shares ‡	Earn per Share ‡ #
1981	1,065,000	$ 0.78
1980	872,296	2.94
1979	866,077	0.74
1978	866,077	0.32
1977	866,077	0.25

† Of continuing operations only; includes revenues.
‡ Based on average number of shares outstanding.
# Including extraordinary gains of $101,000 ($0.12 per share) in 1979, $73,500 ($0.09 per share) in 1977.

Revenues By Line of Business

	1981	1980
Countermeasures & and other defense products	$ 3,679,995	$ 3,126,693
Data entry products	20,489,436	17,583,463
Total	$ 24,169,431	$ 20,710,156

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,731,280	$ 9.14
1980	6,142,650	7.04
1979	3,576,544	4.13
1978	2,935,160	3.39
1977	2,662,261	3.07

‡ Based on average number of shares outstanding.

Income Account *

Year ended June 30	1981	1980
Net sales & revenues	$ 24,169,431	$ 20,710,156
Cost of sales	17,482,361	15,464,890
Expenses	4,827,240	3,440,998
Oper. profit	$ 1,859,830	$ 1,804,268
Other income	(748,328)	(738,756)
Interest expense	1,403,032	1,400,216
Non-recurring gains	—	(1,608,298)
Income before taxes	$ 2,751,106	$ 946,88406
Income taxes	185,000	406,500
Net Income	$ 2,566,106	$ 540,384

* Included in Costs and Expenses, Depreciation and Amortization: $704,398 in 1981 and $562,070 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 1,268,712	$ 727,852
Marktable securities	2,092,000	30,000
Accts. receiv., net	4,156,412	4,661,763
Inventories	6,703,561	5,868,768
Prepaid expenses	35,593	33,361
Escrow deposit	225,000	100,000
Other	77,700	—
Current Assets	$ 14,559,338	$ 11,421,744
Escrow deposit	675,000	90,000
Rental equip.	1,559,199	2,936,103
# Fixed assets	5,552,522	4,408,297
Other assets	264,299	265,130
Total Assets	$ 22,610,358	$ 19,931,274

Liabilities

Long-term debt,curr.	$ 2,161,494	$ 1,665,253
Accts. payable	915,145	1,456,387
Accruals	1,323,503	1,605,945
Curr. Liabilities	$ 4,400,142	$ 4,727,585
Long-term debt	7,997,555	8,678,469
Deferred income taxes	331,600	212,600
Other liabilities	149,781	169,970
+ Common stock	109,740	86,608
Add. paid-in capital	5,509,476	2,770,104
Retained earnings	4,112,064	3,285,938
Total Liabilities & Shareholders' Equity	$ 22,610,358	$ 19,931,274

# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	4.99	13.28
%Net Income to Sales & Revenues	3.42	12.39
%Net Income to Equity	8.49	41.78
Working Capital	$10,159,196	$6,694,159
Current Ratio	3.31	2.42
Shareholders' Equity	$ 9,731,280	$6,142,650

Lynch Communication Systems, Inc.

204 Edison Way
Reno, Nevada 89520
(702) 786-4020

Officers: E.F. Dertinger, chairman of the board & chief executive officer; J.H. Vogt, president; J.B. Sanders, v.p., secretary & treasurer; A.G. Hutcheson, v.p.-corporate planning; R.S. Boreri, v.p.; C.L. Stanco, asst. secretary; A.D. Stukes, asst. treasurer.

Directors: E.F. Dertinger*, Stuart M. Beringer, T.G. Edwards, J.H. Vogt, James B. Surpless*, Paul B. Wineman, J.B. Sanders, W.C. Schweizer*, Hubert L. Kertz.

* Member of Executive Committee.

Areas of Work: Designs and manufactures telephone, carrier communication systems, related equipment, and accessories for use by telephone operating companies. Also manufactures and markets a computer-based telephone answering system for use by answering service bureaus.

Subsidiaries:

Lynch Communication Systems Inc. (Nevada)
204 Edison Way
Reno, Nevada 89520
(702) 786-4020

Transcom Electronics, Inc.
1170 East Main Road
Portsmouth, Rhode Island 02871
(401) 683-3000

Transcom Electronics Manufacturing, Ltd.
239 Belanger Street
St. Jerme, Quebec, Canada J7Y 1K7
(514) 438-1060

Lynch Communication Systems International Inc.
204 Edison Way
Reno, Nevada 89520

Lynch Circuits Inc.
1140 West Evelyn Avenue
Sunnyvale, California 94086
(415) 965-1375

Tailyn Communications Company, Ltd.
(40% equity interest)
Manufactures, markets and installs electronic telecommunication equipment.

Transfer Agent(s):

Industrial National Bank of Rhode Island
Stock Transfer Department
P.O. Box 366
Providence, Rhode Island 02901

Stock Exchange(s): New York

Ticker Symbol: LYC

Sales and Earnings #

	Net Sales	Net Income
1981	$ 47,353,000	$ 529,000
1980	39,499,000	(2,580,000)
1979	50,369,000	2,740,000
1978	33,692,000	2,048,000
1977	25,099,061	1,554,000

	No. of Com. Shares	Earn. per share ‡
1981	2,780,472	$ 0.25
1980	1,910,332	—
1979	1,885,390	1.43
1978	1,866,816	1.08
1977	1,816,197	0.85

(Loss)
# Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.25	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.325	—	—

Common Stock Equity #

	Total Equity	Equity Per Share
1981	$ 28,321,000	$ 10.19
1980	14,410,000	7.54
1979	17,144,000	9.09
1978	15,018,000	8.04
1977	13,334,000	7.34

# Restated.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 47,353,376	$ 39,498,899
Cost of sales	37,037,028	35,365,951
Expenses	7,513,341	7,223,809
Interest expense	2,768,686	2,139,683
Other income	(623,937)	(255,150)
Income (loss) before taxes	$ 658,258	$ (4,975,394)
Income taxes (credit)	129,300	(2,394,926)
Net Income (Loss)	$ 528,958	$ (2,580,468)

‡ Restated.
* Included in Costs and Expenses, Depreciation: $1,143,189 in 1981 and $1,078,525 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 5,828,102	$ 306,096
Accts. receiv., net	13,724,701	7,631,141
*Inventories	17,444,899	18,800,905
Prepaid expenses	285,307	238,825
Deferred inc. taxes	407,433	3,908,044
Current Assets	$ 37,690,442	$ 30,885,011
#Fixed assets	10,484,940	10,444,946
Other assets	1,405,800	1,406,007
Total Assets	$ 49,581,182	$ 42,735,964

Liabilities

Long-term debt, curr.	$ 288,268	$ 178,385
Accts. payable	4,188,646	1,960,025
Accrued compensation	1,183,376	850,074
Accrued pension contributions	454,009	485,725
Accrued interest	288,129	518,129
Other accrued expenses	576,656	605,396
Curr. Liabilities	$ 6,979,084	$ 4,597,734
Long-term debt	12,730,826	22,494,596
Special retirement plans	117,810	138,830

Deferred inc. taxes	1,432,328	1,094,467
+Common stock	3,030,601	2,165,746
Add. paid-in capital	16,818,685	3,999,114
Retained earnings	11,000,373	10,694,991
Notes receiv. from stockholders	(128,000)	—
Treasury stock	(2,400,525)	(2,449,514)
Total Liabilities & Shareholders' Equity	$ 49,581,182	$ 42,735,964

‡ Restated.
* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.39	—
%Net Income to Sales	1.12	—
%Net Income to Equity	1.87	—
Sales to Inventories	2.71	2.10
Working Capital	$30,711,358	$26,287,277
Current Ratio	5.40	6.72
Shareholders' Equity	$28,321,134	$14,410,337

Lynch Corporation

15300 Fullerton Avenue
Detroit, Michigan 48227
(313) 838-4630

Officers: John B. Morris, chairman & president; Charles M. McLaughlin, v.p., secretary & general counsel; Don L. Shepherd, v.p.; Thomas L. Denton, treasurer & controller.

Directors: Robert F. Bell, Charles E. Ehinger*, Robert O. Harry, Edward McSweeney, John B. Morris*, Richard P. Sprigle*, Paul P. Woolard, John J. Rooney, John F. Staubach.

*Member of Executive Committee.

Areas of Work: The company makes glass and packaging machinery as well as products for the automotive, aircraft and aerospace industries.

Divisions and Subsidiaries:

Lynch Machinery Division
2300 Crystal Street
Anderson, Indiana 46011
(317) 643-6671
Glass forming machinery and packaging machinery.

Cox Instrument Division
15300 Fullerton Avenue
Detroit, Michigan 48227
(313) 838-5730
Flowmeters, flowmeter calibrators and associated electronic components for system and control applications; automotive aerospace and industrial test equipment, microbiological filtration equipment.

M-tron Industries, Inc.
100 Douglas Street
Yankton, South Dakota 57078
Manufactures quartz crystal products for frequency determination, mainly for citizen band radios.

Transfer Agent(s):

Bradford Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: LGL

Number of Employees:

1981	337	1979	455
1980	458	1978	432

Plant Footage:

1981	287,000 sq. ft.	1979	276,000
1980	287,000	1978	276,000

Sales and Earnings

	Net Sales	Net Income #
1981	$ 19,084,597	$ 1,499,746
1980	19,241,000	2,429,218
1979	17,456,125	2,820,754
1978	15,375,485	2,318,117
1977	14,679,444	(1,978,458)

	No. of Com. Shares	Earn. per Share ‡#
1981	1,336,735	$ 1.13
1980	1,309,435	1.87
1979	1,292,985	2.19
1978	1,287,985	1.80
1977	1,287,985	—

(Loss)
# Including extraordinary gains of $170,000 ($0.13 per share) in 1981, $350,000 ($0.27 per share) in 1980, $1,250,000 ($0.97 per share) in 1979, $1,100,000 ($0.85 per share) in 1978.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Glass-forming & packaging machinery & parts	$ 8,000,000	$ 7,745,000
Meas. instr., test stands & filtration prods.	5,737,000	6,115,000
Quartz crystal prods.	5,348,000	5,381,000
Total	$ 19,085,000	$ 19,241,000

Common Stock

	Cash Dividends	Stock Dividends	Stock Splits
1981	$0.40	—	—
1980	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 12,988,562	$ 9.71
1980	11,879,727	9.07
1979	9,494,015	7.34
1978	6,663,601	5.17
1977	4,345,484	3.37

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 19,084,597	$ 19,241,000
Cost of sales	12,646,193	11,596,522
Expenses	5,082,434	4,254,061
Interest expense	163,762	129,236
Other income	(1,045,538)	(608,037)
Income bef. Taxes	$ 2,237,746	$ 3,869,218
Income taxes	908,000	1,790,000
Net Income	$ 1,329,746	$ 2,079,218
Extraord. gain	170,000	350,000
Net Income & extraord. gain	$ 1,499,746	$ 2,429,218

* Included in Costs and Expenses, Depreciation: $606,001 in 1981 and $411,094 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & short-term investments	$ 6,536,986	$ 5,970,517
Accts. receiv., net	2,961,613	3,145,638
Inc. tax refundable	280,000	—
*Inventories	4,209,154	4,418,324
Prepaid expenses	192,745	181,867
Deferred inc. taxes	270,000	230,000
Current Assets	$ 14,450,498	$ 13,946,346
# Fixed assets	3,024,049	3,149,486
Total Assets	$ 17,474,547	$ 17,095,832

Liabilities

Accts. payable	$ 634,243	$ 417,702
Accruals	1,341,551	1,479,069
Dividends payable	133,634	130,944
Advances	325,184	467,669
Cap. lease oblig., curr.	310,968	241,035
Income taxes	116,332	1,224,645
Curr. Liabilities	$ 2,861,912	$ 3,961,064
Long-term debt	1,044,073	905,041
Deferred inc. taxes	580,000	350,000
+Common stock	2,815,628	2,673,068
Add. paid-in capital	6,968,795	6,968,795
Retained earnings (deficit)	3,204,139	2,237,864
Total Liabilities & Shareholders' Equity	$ 17,474,547	$ 17,095,832

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.72	20.11
%Net Income to Sales	6.96	10.81
%Net Income to Equity	10.23	17.50
Sales to Inventories	4.53	4.35
Working Capital	$11,588,586	$ 9,985,282
Current Ratio	5.04	3.52
Shareholders' Equity	$12,988,562	$11,879,727

M/A-COM, Inc.

(formerly Microwave Associates, Inc.)

South Avenue
Burlington, Massachusetts 01803
(617) 272-9600

Officers: Lawrence Gould, chairman of the board & chief executive officer; Richard T. DiBona, president & chief operating officer; Joseph C. Bothwell, Jr., v.p.-corporate development; Hugh E. Bradshaw, v.p., secretary & corp. counsel; Frank A. Brand, Frank M. Drendel, John G. Puente, executive v.p.'s; Diane Calagione, asst. secretary & asst. general counsel; Paul F. Brauneis, comptroller; Thomas F. Burke, v.p.-finance & treasurer; Irwin Mark Jacobs, president-M/A-COM LINKABIT, Inc.; George W. McPhee, asst. treasurer.

Directors: Vessarios Chigas, Robert P. Reuss, Lawrence Gould, Irving J. Helman, Nelson S. Gifford, Irwin Mark Jacobs, George N. Hutton, Jr., George Ingram, Jr., Richard M. Walker, Richard T. DiBona, S. Sidney Kahn, Robert E. LaBlanc, William F. Pounds, John G. Puente.

Areas of Work: Manufactures microwave components parts, subassemblies and all solid-state microwave relay equipment for radar, electronic countermeasures and telecommunication markets, and engages in related research and development. Digital satellite equipment and products for fiber optics transmission systems.

Subsidiaries:

Microwave Associates, Inc.
South Avenue
Burlington, Massachusetts 01803
(617) 272-3000

Microwave Associates Communications Company
63 Third Avenue
Burlington, Massachusetts 01803
(617) 272-3100

Digital Communications Corporation
11717 Exploration Lane
Germantown, Maryland 20767
Digital satellite equipment and products for fiber optics transmission systems.

Data Microwave Inc.
Burlington, Massachusetts 01803
(617) 272-3000

M/A-COM, Inc.

Microwave Associates, Inc.
59 Emory Street
Sanford, Maine 04073

Microwave Associates Electronics Canada, Ltd.
3135 Universal Drive
Mississauga, Ontario L4X2E7
Canada

Microwave Computer, Inc.
Burlington, Massachusetts 01803
(617) 272-3000

Microwave Associates Inc.
Lawrence Laboratory
8926 Comanche Avenue
Chatsworth, California 91311

Microwave Associates, Inc.
Land Mobile Communications Company
1362 Borregas Avenue
Sunnyvale, California 94088

Omni Spectra, Inc.
Microwave Connector Division
140 Fourth Avenue
Waltham, Massachusetts 02154

Manufactures microwave products used principally in end products produced by manufacturers of microwave systems and equipment.

Omni Spectra, Inc.
Microwave Components Division
21 Continental Blvd.
Merrimack, New Hampshire 03054

Omni Spectra, Inc.
2626 South Hardy Drive
Tempe, Arizona 85282

Omni Spectra, Ltd.
One Loverock Road
Battle Farm Estate
Reading, Berkshire RG3 1DQ, England

Microwave Associates Limited (MAL)
Dunstable, Bedfordshire
England LU54SX

Prodelin, Inc.
P.O. Box 131, Prodelin Way
Hightstown, New Jersey 08520

Designs, develops and manufactures antennas and transmission line products for microwave point-to-point and satellite communications systems.

Prodelin, Inc.
1350 Duane Avenue
Santa Clara, California 95050

Digital Telecommunications, Ltd.
1305 Matheson Boulevard
Mississauga, Ontario L4W 1R1, Canada

Digital Communications Corporation, Ltd.
Dunstable LU5 4SX
Bedfordshire, England

LINKABIT Corporation
3033 Science Park Road
San Diego, California 92121

Designs, develops and manufactures sophisticated digital electronics equipment and subsystems for use in satellite and terrestrial communications systems.

LINKABIT Corporation
10453 Roselle Street
San Diego, California 92121

Comm/Scope
Rte. 1, Box 199A
1848 State Road
Catawba, North Carolina 28609

Valtec Communications Fiberoptics
99 Hartwell Street
West Boylston, Massachusetts 01583

Laser Diode Laboratories
1130 Somerset Street
New Brunswick, New Jersey 08901

Valtec Fiberoptics Division
99 Hartwell Street
West Boylston, Massachusetts 01583

Leading supplier of coaxial cable for CATV; manufacturer of laser diodes, optical products and fiber optic cables, as well as a developer of fiber optics communications systems for commercial telecommunications.

Valtec Optical Group
211 Second Avenue
Waltham, Massachusetts 02154

Valtec Optical Group
869 West 17th Street
Costa Mesa, California 92627

Transfer Agent(s):

Continental Stock Transfer and Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): New York, Boston

Ticker Symbol: MAI

Number of Employees:

1981	6,274	1978	4,730
1980	6,274	1977	4,011
1979	5,359		

Plant Footage:

1981	1,470,000 sq.ft.	1978	1,045,000
1980	1,470,000	1977	980,000
1979	1,190,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 514,668,000	$ 40,870,000
1980	341,456,000	25,527,000
1979	238,942,000	13,420,000
1978	178,535,000	9,633,000
1977	131,205,000	5,884,000

	No. of Com. Shares †	Earn. per Share +
1981	38,785,000	$ 1.07
1980	34,078,000	0.76
1979	30,906,000	0.45
1978	29,072,000	0.33
1977	28,062,000	0.21

‡ Restated to include operations of companies acquired on a pooling of interests basis.
† Adjusted to reflect stock splits and stock dividend.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.12	—	—
1980	0.10	—	3-for-2 & 2-for-1‡
1979	0.08	100%	—
1978	0.06	—	3-for-2
1977	0.05	—	—

+ Adjusted to reflect stock splits and stock dividend.
‡ Declared Oct. 1980.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 264,104,000	$ 6.81
1980	145,349,000	4.27
1979	88,317,000	2.86
1978	67,168,000	2.31
1977	53,679,000	1.91

‡ Restated to include operations of companies acquired on a pooling of interests basis.
† Adjusted to reflect stock splits and stock dividend.

Income Account *
(000's)

Year ended	9/3/81	9/27/80 ‡
Net sales	$ 514,668	$ 341,456
Cost of sales	350,770	232,025
Expenses	98,560	62,149
Interest income	(13,048)	1,790
Interest expense	8,379	3,706
Income from cont'd operations before .income taxes	$ 70,007	$ 45,366
Income taxes	29,137	19,839
Income from cont'd operations	$ 40,870	$ 25,527
Income (loss) from cont'd operations	(595)	1,142
Net Income	$ 40,275	$ 26,669

* Included in Costs and Expenses, Depreciation and Amortization: $6,499,000 in 1980 and $4,975,000 in 1979.
‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets
(000's)

As of	9/3/81	9/27/80 ‡
Cash	$ 4,195	$ 5,069
Marketable securities	133,847	4,174
Accts. receiv., net	105,043	78,674
Unbilled costs under cust. cont.	15,668	10,126
*Inventories	91,369	68,011
Other curr. assets	6,190	3,983
Current Assets	$ 356,321	$ 170,037
#Fixed assets	135,259	82,854
Other assets	26,150	7,192
Total Assets	$ 517,730	$ 260,083

Liabilities
(000's)

Notes payable	$ 2,284	$ 14,948
Long-term debt, curr.	4,238	1,627
Accts. payable	39,171	30,547
Accruals	17,161	12,388
Accrued payroll	19,589	13,646
Income taxes	21,238	13,079
Deferred inc. taxes	1,000	4,165
Curr. Liabilities	$ 104,681	$ 90,400
Long-term debt	139,406	19,535
Deferred inc. taxes	5,100	1,784
Other long-term liabilities	4,439	3,015
+Common stock	38,785	34,078
Add. paid-in capital	122,365	33,342
Retained earnings	116,856	80,474
	(13,902)	(2,545)
Total Liabilities & Shareholders' Equity	$ 517,730	$ 260,083

‡ Restated to include operations of companies acquired on a pooling of interests basis.
* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	15.25	18.31
Sales to Inventories	5.63	5.02
Working Capital	$251,640,000	$79,637,000
Current Ratio	3.40	1.88
Shareholders' Equity	$264,204,000	$145,349,000

Magna International Inc.

355 Wildcat Road
Downsview, Ontario, M3J 2S3
Canada
(416) 661-1485

Officers: Frank Stronach, chairman of the board & chief exec. officer; Burton V. Pabst, vice chairman of the board; Helmut Hofmann, president & chief operating officer; Anton Czapka, senior vice president; Robert M. Jones, vice president-marketing (automotive); Murray G. Kingsburgh, vice president-finance; James N. Renner, vice president-engineering; Harry Bytzek, Richard G. Hrga, Herman Koob, D. Robin Sloan, vice presidents; Neill Elliot, v.p.-sales (automotive); Manfred Gingl, v.p.-operations (automotive); J. Alex Langford, secretary.

Directors: Anton Czapka, Paul B. Helliwell, Helmut Hofmann, Manfred Gingl, James F. McCallum, Burton V. Pabst, William S. Storey, Frank Stronach, George R. Gardiner, D. Robin Sloan.

Areas of Work: Manufacturer of parts for the North American automotive industry and of sophisticated components and products for the aerospace and defense industries. Also fabricates steel for industrial and commercial structures.

Subsidiaries:

Motor Specialties Mfrs. (Ontario) Ltd.
Multimatic Investments Ltd.
Unimade Industries, Ltd.
Vernomatic Ltd.

Hermes Electronics Ltd.
Dartmouth, Nova Scotia
Manufacturer of sensing devices used by the oil and gas and defense industries.

Divisions:

Automotive Division
Comprised of the trim, stamping, pulley, electromechanical device and international manufacturing groups.

Industrial Division
Comprised of the aerospace and defense group. Hermes Electronics, and the structural steel group.

Transfer Agent(s):

The Canada Trust Company
Toronto, Canada

Stock Exchange(s): Toronto

Ticker Symbol: MG

Number of Employees:

1979	2,500	1978	2,000

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 232,114,000	$ 6,911,000
1980	183,456,000	3,718,000
1979	165,738,000	8,727,000
1978	128,189,000	7,390,000
1977	80,953,000	4,093,000

	No. of Com Shares #	Earn. per Share †‡
1981	5,158,086	$ 1.27
1980	5,053,090	0.68
1979	5,053,090	1.78
1978	4,828,739	1.59

+ Of continuing operations only.
‡ Including extraordinary gains of $272,000 ($0.06 per share) in 1979 and $795,000 ($0.17 per share) in 1978 and extraordinary loss of $1,922,000 ($0.38 per share) in 1980.
# Class A Common and Class B shares combined, adjusted to reflect stock split.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.36	—	—
1980	0.36	—	—
1979	0.28	—	3-for-1
1978	0.19	—	—
1977	0.12	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity +	Equity Per Share †
1981	$ 39,631,000	$ 7.68
1980	33,793,000	6.69
1979	32,086,000	6.35
1978	23,270,000	4.82

+ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 232,114,000	$ 183,456,000
Cost of sales	201,372,000	159,763,000
Depreciation	9,188,000	6,154,000
Interest expense	9,195,000	6,481,000
Amortization	305,000	123,000
Income from cont. oper.	$ 12,054,000	$ 10,935,000
Loss from discont. oper.	—	1,686,000
Income before taxes	$ 12,054,000	$ 9,249,000
Income taxes	5,151,000	3,456,000
Minority interest	8,000	153,000
Net Income	$ 6,911,000	$ 5,640,000
Extraord. gain (loss)	—	(1,922,000)
Net Income & extraord. items	$ 6,911,000	$ 3,718,000

Assets

As of July 31	1981	1980
Cash	$ 252,000	$ 115,000
Accts. receiv., net	47,310,000	30,228,000
*Inventories	43,530,000	33,176,000
Prepaid expenses	1,031,000	1,638,000
Current Assets	$ 92,123,000	$ 65,157,000
#Fixed assets	74,074,000	62,629,000
Other assets	4,332,000	4,352,000
Total Assets	$ 170,529,000	$ 132,138,000

Liabilities

Long-term debt, curr.	$ 5,678,000	$ 4,645,000
Bank indebtedness	24,932,000	13,757,000
Accts. payable and accruals	27,166,000	16,956,000
Income taxes payable	5,783,000	2,844,000
Curr. Liabilities	$ 63,559,000	$ 38,202,000
Long-term debt	53,098,000	42,591,000
Minority interest	2,682,000	3,951,000
Deferred income	3,210,000	3,239,000
Deferred inc. taxes	2,668,000	4,676,000
+6½% preferred stock	81,000	87,000
+ + 7% preferred stock	5,600,000	5,600,000
+ + +Class A common stock	6,417,000	5,244,000
+ + +Class B common stock	2,274,000	2,283,000
Retained earnings	30,940,000	26,265,000
Total Liabilities & Shareholders' Equity	$ 170,529,000	$ 132,138,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ $100 par value.
+ + $25 par value.
+ + + No par value.

Statistical Summary

%Net Income to Equity	15.25	14.29
Sales to Inventories	5.33	5.53
Working Capital	$28,564,000	$26,955,000
Current Ratio	1.45	1.71
Shareholders' Equity	$45,312,000	$39,479,000

Magnasonic Canada Ltd.

8191 Montview Road
Ville Mont-Royal, Quebec
Canada H4P 2L6
(514) 342-0290

Officers: Bernard Klein, president and chief executive officer; Maurice Bellman, exec. v.p.; Morris Black, v.p.-information systems; Peter Horak, v.p.-sales, Emerson; Alam Khwaja, v.p. & treasurer; Reuben Klein, v.p. sales and marketing, Emerson; Joseph Manel, v.p.-operations; Agis Pappas, v.p.-sales, Quebec region, Sanyo; Simon Torobin, v.p.

Directors: Morton A. Cohen, Bernard Klein, Maurice Bellman, Reuben Klein, Leo Rosentzveig, Simon Torobin.

Areas of Work: Distributes "Soundesign" stereo receivers and speakers, "Emerson" home entertainment and business products and appliances, "Fisher" stereo receivers and amplifiers.

Divisions and Subsidiaries:

Torobin Advertising Ltd.
8191 Montview Road
Ville Mt. Royal, Quebec

MGS Acceptance Ltd.
8191 Montview Road
Ville Mt. Royal, Quebec

Sanyo Canada Ltd. (50% owned)
5660 Royalmount Avenue
Ville Mount Royal, Quebec

Gamasonic Canada Ltee.
8191 Montview Road
Ville Mt. Royal, Quebec

Transfer Agent(s):

Montreal Trust Company
Halifax, Montreal, Toronto, Calgary and Vancouver

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: MGSM, MGST

Sales and Earnings

	Net Sales ‡	Net Income +
1981	$ 78,557,219	$ 939,370
1980	71,343,777	681,919
1979	60,637,699	118,815
1978	56,907,813	670,912
1977	57,537,299	799,731

	No. of Com. Shares	Earn. per Share +
1981	1,362,000	$ 0.70
1980	1,337,000	0.51
1979	1,337,000	0.09
1978	1,337,000	0.50
1977	1,337,000	0.60

‡ Includes other revenues.
+ Including extraordinary gain of $138,000 ($0.10 per share) in 1981 and extraordinary loss of $962,156 ($0.72 per share) in 1980.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 11,670,684	$ 8.73
1980	10,633,564	7.95
1979	9,951,645	7.44
1978	9,832,830	7.30
1977	9,161,918	6.80

Income Account *

Year ended Dec. 31	1981	1980
Net sales & other revenues	$ 78,557,219	$ 71,343,777
Cost of sales & expenses	73,697,221	67,368,590
Depreciation & amortization	132,053	175,682
Interest expense	3,799,264	3,231,173
Eq. in earn. of invest.	23,680	130,350

Income before taxes	$ 952,361	$ 698,682
Income taxes	150,991	16,763
Net Income	$ 801,370	$ 681,919
Extraordinary gain	138,000	—
Net Income & extraord. gain	$ 939,370	$ 681,919

Assets

As of Dec. 31	1981	1980
Accts. receiv., net	$ 13,659,730	$ 15,556,656
*Inventories	31,448,389	21,685,076
Prepaid expenses	414,263	219,004
Current Assets	$ 45,522,382	$ 37,460,736
Investments	786,824	792,644
#Fixed assets	1,287,608	1,213,312
Other receivables	464,608	176,143
Total Assets	$ 48,061,422	$ 39,642,835
Liabilities		
Bank indebtedness	$ 466,078	$ 1,111,488
Bank loans	22,479,780	12,174,777
Accts. payable & accruals	13,444,880	15,723,006
Curr. Liabilities	$ 36,390,738	$ 29,009,271
+ Common stock	3,882,606	3,784,856
Retained earnings	7,788,078	6,848,708
Total Liabilities & Shareholders' Equity	$ 48,061,422	$ 39,642,835

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.21	0.96
%Net Income to Sales	1.02	0.94
%Net Income to Equity	6.87	6.41
Working Capital	$ 9,131,644	$ 8,872,034
Current Ratio	1.25	1.31
Shareholders' Equity	$11,670,684	$10,633,564

Magnetic Controls Company

4900 West 78th Street
Minneapolis, Minnesota 55435
(612) 835-6800

Officers: T.R. Anderson, chairman of the board; C.M. Denny, Jr., president & chief executive officer; R. C. Wagner, sr. v.p.; D.H. Moersch, v.p.-industrial relations; L.J. Morgan, v.p.-finance; L.A. Robert, v.p.-Systems Group; J.W. Steffen, v.p.-Components Group; M.B. Hasselquist, secretary; L.K. Peugh, treasurer.

Directors: T.R. Anderson, Charles M. Denny, Jr., Maynard B. Hasselquist, Ralph S. Misener, Lennie L. Arnevik, Edwin W. Rawlings, Frank A. Donaldson, Warde F. Wheaton.

Areas of Work: Designs, manufactures and sells electronic and electromechanical products under the trade name "ADC." Principal products are test and alarm systems, voice and data patching components, and transformers, filters and power supplies. Products are sold primarily to the telephone, computer, instrument, and aviation industries.

Subsidiaries:

ADC International, Inc.
Minneapolis, Minnesota

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota 55402

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MGNE (NASDAQ)

Number of Employees:

1981	1,457	1978	847
1980	1,413	1977	822
1979	1,117		

Plant Footage:

1981	368,800 sq. ft.	1979	206,219
1980	317,300		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 61,500,000	$ 3,542,000
1980	55,900,000	3,624,000
1979	40,021,000	2,959,000
1978	25,344,000	949,000
1977	23,190,000	1,221,000

	No. of Com. Shares †	Earn. per Shares #‡
1981	2,535,799	$ 1.40
1980	2,535,799	1.78
1979	1,904,199	1.69
1978	1,548,249	0.59
1977	1,486,749	0.80

# Including extraordinary gain of $292,000 ($0.19 per share) in 1977.
† Adjusted to reflect stock dividend.
‡ Based on the average number of common shares and common share equivalents outstanding, adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 31,200,000	$ 12.30
1980	27,658,000	10.91
1979	11,164,000	5.86
1978	5,332,000	3.44
1977	4,276,000	2.88

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended	1981	1980
Net sales	$ 61,500,000	$ 55,900,000
Cost of sales	38,389,000	34,321,000
Expenses	16,839,000	14,506,000
Interest expenses	53,000	1,304,000
Other expense (income)	(4,000)	(411,000)
Income before taxes	$ 6,223,000	$ 6,180,000
Income taxes	2,681,000	2,556,000
Net Income	$ 3,542,000	$ 3,624,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,737,000 in 1981 and $2,081,000 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 981,000	$ 2,300,000
Accts. receiv., net	12,266,000	12,326,000
*Inventories	12,547,000	9,808,000
Prepaid income taxes	904,000	865,000
Current Assets	$ 26,698,000	$ 25,299,000
#Fixed assets	18,680,000	16,075,000
Total Assets	$ 45,378,000	$ 41,374,000
Liabilities		
Long-term debt, curr.	$ 234,000	$ 296,000
Accts. payable	2,816,000	2,311,000
Accruals	3,641,000	3,954,000
Curr. Liabilities	$ 6,691,000	$ 6,561,000
Deferred inc. taxes	1,900,000	1,338,000
Long-term debt	5,587,000	5,817,000
+Common stock	507,000	507,000
Add. paid-in-capital	18,861,000	18,861,000
Retained earnings	11,832,000	8,290,000
Total Liabilities & Shareholders' Equity	$ 45,378,000	$ 41,374,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.12	11.06
%Net Income to Sales	5.76	6.48
%Net Income to Equity	11.35	13.10
Sales to Inventories	4.90	5.70
Working Capital	$20,007,000	$18,738,000
Current Ratio	3.99	3.86
Shareholders' Equity	$31,200,000	$27,658,000

Management Assistance Inc.

560 Lexington Avenue
New York, New York 10022
(212) 909-1400

Officers: Raymond P. Kurshan, chairman of the board & president; Robert W. Berend, sr. v.p., general counsel & secretary; Alan I. Goldman, sr. v.p. - finance; Joseph S. Barsa, v.p. & president - MAI International Corporation; Stephen J. Keane, v.p. & president - Basic Four Information Systems Div.; Ronald A. Wallace, v.p. & president - Sorbus Service Div.; Richard F.X. Burke, v.p. & treasurer; Daniel R. Kail, v.p. - corp. planning & development; Paul B. Lazovick, v.p. - investor relations & communications; Harold M. Martin, v.p. & controller; James L. O'Donnell, v.p. - taxes; Horace F. Scharges, v.p. - human resources; David S.T. Schiff, v.p. & associate gen. counsel; Bertrand H. Weidberg, v.p. & assoc. gen. counsel.

Directors: Raymond P. Kurshan, chairman; Robert W. Berend, Marshall P. Bissell, Robert L. Brueck, James G. Hellmuth, Stephen J. Keane, Arthur J. Loose, John E. McConnaughy, Jr., Gerald Rosenberg, Aaron Wildavsky.

Areas of Work: Manufactures, markets and services information processing systems and related software. The systems are primarily used by small to medium sized businesses or for special applications by larger companies. The Basic Four Division is engaged in the manufacture and sale of the systems. The Sorbus Division functions in the training, service and maintenance fields.

Divisions:

Basic Four Information Systems Division
14101 Myford Road
Tustin, California 92680

MAI Applications Software Corporation
18010 Skypark Circle
Irvine, California 92714

Sorbus Service Division
50 East Swedesford Road
Frazer, Pennsylvania 19355

MAI International Corporation
17822 East 17th Street
Tustin, California 92680

Subsidiaries:

MAI International Ges.mbH (Austria)
Vienna, Austria

MAI Belgium, S.A.
Brussels, Belgium

MAI Canada, Ltd.
Markham, Ontario, Canada

MAI Costa Rica, S.A.
San Jose, Costa Rica

MAI France S.A.
Paris, France

MAI Deutschland GmbH
Frankfurt/Main, West Germany

MAI Mexico S.A. de C.V.
Mexico City, Mexico

MAI Nederland B.V.
Amsterdam, The Netherlands

MAI Philippines Inc.
Manila, The Philippines

MAI del Caribe Inc.
San Juan, Puerto Rico

MAI de Espana S.A.
Information Systems
Madrid, Spain

MAI Information Systems AB
Solna, Sweden

MAI (Schweiz) AG
Zurich, Switzerland

MAI United Kingdom Ltd.
London, England

MAI de Venezuela, S.A.
Caracas, Venezuela

Transfer Agent(s):

The Bank of New York
48 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: M

Number of Employees:

1981	5,629	1978	3,521
1980	5,269	1977	3,161
1979	4,452		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 332,186,000	$ 9,415,000
1980	303,751,000	388,000
1979	264,419,000	29,213,000

	No. of Com. Shares #	Earn per Share ‡ #
1981	8,138,318	$ 1.16
1980	8,145,796	0.05
1979	7,979,966	3.66

‡ Including extraordinary gains of $2,601,000 ($0.32 per share) in 1981 and $10,363,000 ($1.30 per share) in 1979.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Major processing syst.	$ 212,334,000	$ 196,995,000
Maint. & rel. serv.	111,329,000	97,750,000
Other	8,523,000	14,006,000
Total	$ 332,186,000	$ 303,751,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 93,519,000	$ 11.49
1980	82,646,000	10.15
1979	80,776,000	10.12

‡ Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Revenues	$ 332,186	$ 303,751
Cost of sales	179,730	156,231
Expenses	136,196	117,099
Interest expense	3,113	3,153
Interest income	(2,166)	(1,835)
Inc. before taxes	$ 15,313	$ 29,103
Income taxes	8,499	15,044
Inc. from cont. oper.	$ 6,814	$ 14,059
Loss from discont. oper.	—	(13,671)
Net Income	$ 6,814	$ 388
Extraord. gain	2,601	—
Net Income & Extraord. Gain	$ 9,415	$ 388

* Included in Costs and Expenses, Depreciation: $7,284,000 in 1981 and $5,529,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash & cash equiv.	$ 14,020	$ 18,566
Receiv., net	54,212	58,662
*Inventories	35,857	37,439
Replacement parts	19,038	15,941
Other curr. assets	18,774	5,717
Current Assets	$ 141,901	$ 136,325
#Fixed assets	50,735	41,713
#Rented equip.	350	589
Other assets	6,278	8,900
Total Assets	$ 199,264	$ 187,527

Liabilities
(000's)

Long-term debt, curr.	$ 3,380	$ 4,968
Accts. payable	21,408	19,686
Accrued liab.	29,052	30,737
Reserve for discont. oper.	1,543	4,666
Unearned revenue	4,619	3,491
Income taxes	2,307	9,164
Curr. Liabilities	$ 62,309	$ 72,712
Long-term debt	27,011	30,430
Deferred inc. taxes	16,306	1,396
Other deferred liab.	119	343
+Common stock	3,340	3,329
Add. paid-in capital	76,141	74,007
Retained earnings	19,870	10,455
Cost of restricted stock grants	(5,113)	(4,901)
Treasury stock	(719)	(154)
Total Liabilities & Shareholders' Equity	$ 199,264	$ 187,527

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.

Statistical Summary

%Income bef. Taxes to Revenues	4.61	—
%Net Income to Revenues	2.05	—
%Net Income to Equity	7.29	0.47
Working Capital	$79,592,000	$63,613,000
Current Ratio	2.28	1.87
Shareholders' Equity	$93,519,000	$82,646,000

Mangood Corporation

676 North St. Clair
Chicago, Illinois 60611
(312) 726-5705

Officers: Marvin B. Levine, president; John L. Westermann, III, v.p.-finance & treasurer; Charles Aaron, vice president and secretary; Anthony A. Sirna III, Samuel H. Levinson, vice presidents.

Directors: Charles Aaron, Bernard E. Brandes, Helmut N. Friedlaender, Samuel Hoffmann, Marvin B. Levine, Anthony A. Sirna, III, Samuel H. Levinson.

Divisions and Subsidiaries:

Streeter Amet Measurement Systems Division
155 Wicks Street
Grayslake, Illinois 60030
(312) 223-4801

Produces electronic weighing systems for commerce and industry, in motion weighers, electronic process control and measurement systems, strain gauge load cells and related transducers, traffic counters and detectors, warning lights, emergency vehicle lights, and industrial and scientific counting systems.

Mangood Limited (U.K.)
Polo Field Estates
Panteg, Pontypool
Gwent NP4 5YP
Wales, United Kingdom

Produces electronic weighing systems for commerce and industry, in motion weighers, electronic process control and measurement systems, strain gauge load cells and related transducers, traffic counters and detectors, and industrial and scientific counting systems.

Ametron Limited
155 Wicks Street
Grayslake, Illinois 60030
(312) 223-4801

1125 Dundas Street East
Mississauga, Ontario L4Y 2C4 Canada

Streeter Amet Measurement Systems Division
155 Wicks Street

Grayslake, Illinois 60030
(312) 223-4801

Railweight Limited
Station Road
Birch Vale, Stockport
Cheshire SK 12 5BP
United Kingdom

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: MAB

Number of Employees:

1981	285	1979	340
1980	310	1978	270

Plant Footage:

1981	104,000 sq. ft.	1979	104,000
1980	104,000	1978	100,000

Sales and Earnings

	Net Sales +	Net Income †
1981	$ 18,741,000	$ 525,000
1980	19,830,000	548,000
1979	14,344,000	435,000
1978	11,710,000	301,000
1977	9,228,000	(1,299,000)

Mangood Corporation

	No. of Com. Shares ‡	Earn. per Share ‡†
1981	326,000	$ 1.61
1980	354,000	1.55
1979	305,000	1.43
1978	299,714	1.00
1977	299,714	—

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.
† Including extraordinary credits of $120,000 ($0.34 per share) in 1980, $115,000 ($0.38 per share) in 1979 and $62,000 ($0.20 per share) in 1978.

Common Stock Equity

		Total Equity	Equity Per Share ‡
1981	$	3,949,000	$ 12.11
1980		4,012,000	11.33
1979		3,463,000	11.35
1978		2,474,000	8.25
1977		2,173,000	7.25

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Dec. 31		1981		1980
Net sales	$	18,741,000	$	19,830,000
Cost of sales		11,654,000		12,684,000
Expenses		6,072,000		6,128,000
Interest expense		179,000		326,000
Income before taxes	$	836,000	$	692,000
Income taxes		311,000		264,000
Net Income	$	525,000	$	428,000
Extraordinary credit		—		120,000
Net Income & extraord. credit	$	525,000	$	548,000

* Included in Costs and Expenses, Depreciation and Amortization: $234,000 in 1981 and $238,000 in 1980.

Assets

As of Dec. 31		1981		1980
Cash	$	507,000	$	161,000
Receiv., net		2,785,000		3,859,000
*Inventories		3,292,000		3,518,000
Prepaid expenses		146,000		151,000
Current Assets	$	6,730,000	$	7,689,000
#Fixed assets		1,241,000		1,093,000
Total Assets	$	7,971,000	$	8,782,000

Liabilities

Notes payable	$	—	$	352,000
Long-term debt, curr.		44,000		55,000
Accts. payable		1,619,000		1,655,000
Accruals		1,539,000		1,538,000
Income taxes		556,000		407,000
Curr. Liabilities	$	3,758,000	$	4,007,000
Long-term debt		188,000		695,000
Deferred inc. taxes		76,000		68,000
+Common stock		2,590,000		2,590,000
Retained earnings		1,990,000		1,506,000
Treasury stock		(631,000)		(84,000)
Total Liabilities & Shareholders' Equity	$	7,971,000	$	8,782,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income before Taxes to Sales	4.46	3.49
%Net Income to Sales	2.80	2.16
%Net Income to Equity	13.29	10.67
Sales to Inventories	5.69	5.64
Working Capital	$2,972,000	$3,682,000
Current Ratio	1.79	1.92
Shareholders' Equity	$3,949,000	$4,012,000

Mark Products, Inc.

10502 Fallstone Road
Houston, Texas 77099
(713) 498-0600

Officers: P. Stuart Grant, chairman of the board; Wayne E. Tabor, president & chief executive officer; Richard W. Lilliott, III, v.p.-finance & secretary; Kathlene M. Glapa, v.p.- corporate development; John C. Cryton, III, v.p.-operations; John H. Fuchs, v.p.; James M. Guillory, v.p.-sales; J.C. Woodall, v.p.-engineering; Garry M. Smith, controller; Thomas A. Sommerville, president- Mark Products, Ltd.

Directors: F. William Fitzpatrick, P. Stuart Grant, Kees M. Verheul, Hugh Robertson, Eric W. Shaw, Wayne E. Tabor, Thomas E. Naugle George B. McKeen.

Areas of Work: Designs, develops, manufactures and markets geophones, seismometers and hydrophones and related cable assemblies and specialized industrial cable. The principal market for the company's product lines in the oil exploration business. Markets of lesser importance include industrial and marine cable users.

Subsidiaries:

Mark Products, Inc. (U.S.)
10507 Kinghurst Drive
Houston, Texas 77099
(713) 498-0600

Manufactures and markets geophysical data gathering equipment-geophones, seismic cable and connectors.

Mark Products, Ltd.
1108 55th Avenue N.E.
P.O. Box 73
Station M
Calgary, Alberta T2P 2G9
Canada
(403) 275-3544

Rents and sells geophones, fabricates and sells related cable assemblies.

Custom Cable Company
5310 Glenmont
Houston, Texas 77081
(713) 666-6301

Manufactures seismic and specialized industrial cable and marine, power, and control type cables.

Transfer Agent(s):

First City National Bank
Houston, Texas

Stock Exchange(s): American

Ticker Symbol: MKP

Number of Employees:

1981	990	1978	425
1980	875	1977	375
1979	500		

Plant Footage:

1981	212,000 sq. ft.	1978	151,000
1980	212,000	1977	129,000
1979	151,000		

Sales and Earnings

		Net Sales ‡†		Net Income #
1981	$	69,269,000	$	9,605,000
1980		42,276,000		6,134,000
1979		21,004,000		1,104,000
1978		15,841,000		1,701,000
1977		12,275,000		1,377,517

	No. of Com. Shares +	Earn. per Share # +
1981	7,919,580	$ 1.21
1980	7,916,860	0.77
1979	7,906,520	0.17
1978	5,096,276	0.30
1977	4,983,272	0.26

‡ Includes rental revenues.
† Of continuing operations only.
# Including extraordinary credits of $336,000 ($0.17 per share) in 1980, $84,000 ($0.06 per share) in 1978 and $402,000 ($0.30 per share) in 1977.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980	1979	1978
Geophones (and hydrophones	33%	33%	28%	25%
Seismic cable & connectors	60	63	67	72
Accessories & other	7	4	5	3
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	4-for-1
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	—

Common Stock Equity

		Total Equity	Equity Per Share +
1981	$	24,856,000	$ 3.14
1980		15,248,000	1.93
1979		8,097,000	1.02
1978		5,593,000 †	1.10
1977		3,818,285 †	0.77

† After allowing for preferred stock at par value.
+ Adjusted to reflect stock split.

Income Account *

Year ended		12/31/81		12/31/80
Net sales & rent revs.	$	69,269,000	$	42,276,000
Cost of sales & rentals		45,215,000		26,645,000
Expenses		6,022,000		4,884,000
Interest expense		1,137,000		559,000
Income before taxes	$	16,895,000	$	10,188,000
Income taxes		7,290,000		4,390,000
Net Income	$	9,605,000	$	5,798,000
Extraord. gain		—		336,000
Net Income & Extraod. gain	$	9,605,000	$	6,134,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,799,000 in 1981 and $1,916,000 in 1980.

Assets

As of		12/31/81		12/31/80
Cash	$	2,230,000	$	1,094,000
Accts. receiv., net		12,877,000		8,350,000
*Inventories		14,019,000		10,033,000
Prepaid expenses		913,000		870,000
Current Assets	$	30,039,000	$	20,347,000
#Fixed assets		14,038,000		8,506,000
Other assets		70,000		93,000
Total Assets	$	44,147,000	$	28,946,000

Liabilities

Long-term debt, curr.	$	870,000	$	245,000
Accts. payable		3,511,000		2,823,000
Advance payments		572,000		390,000
Accruals		2,345,000		1,650,000
Income taxes		2,902,000		1,823,000
Curr. Liabilities	$	10,200,000	$	6,931,000
Long-term debt		8,320,000		5,991,000
Deferred inc. taxes		771,000		776,000
+Common stock		5,125,000		5,122,000
Add. paid-in capital		377,000		377,000
Retained earnings		19,354,000		9,749,000
Total Liabilities & Shareholders' Equity	$	44,147,000	$	28,946,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	24.39	24.10
%Net Income to Sales	13.87	13.71
%Net Income to Equity	38.64	38.02
Sales to Inventories	4.94	4.21
Working Capital	$19,839,000	$13,416,000
Current Ratio	2.95	2.94
Shareholders' Equity	$24,856,000	$15,248,000

Marshall Industries

9674 Telstar Avenue
El Monte, California 91731
(213) 686-0141

Officers: Gordon S. Marshall, chairman of the board; Joseph S. Bergeon, v.p.-Claude Michael Products; William J. Smith, v.p.-G.S. Marshall Products; Roger E. Gabriel, v.p.-human resources; Peter B. Heric, v.p.-management information systems; William H. Welling, executive v.p., chief operating officer, and secretary; Carl R. Sittman, v.p.-facilities; David O. Zertuche, v.p.-finance, chief financial officer and secretary.

Directors: Gordon S. Marshall, chairman; Ralph W. James, Mason Phelps, Donald Royce, Jr., William Welling.

Areas of Work: Engaged in the distribution of electronic components, wire termination devices, production supplies, hand tools, and assembly work station equipment to the electronic industry. Also performs assembly and wire stripping operations.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 2097, Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): American, Pacific

Ticker Symbol: MI

Number of Employees:

1981	689	1978	554
1980	590	1977	551
1979	526		

Plant Footage:

1981	300,000 sq. ft.	1978 . . .	200,000
1980	200,000	1977	200,000
1979	200,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 105,663,000	$ (1,550,000)
1980	83,538,000	1,815,000
1979	66,880,000	719,000
1978	59,172,000	(311,000)
1977	49,996,000	965,000

	No. of Com. Shares#	Earn. per Share#
1981	1,167,431	$ —
1980	1,173,492	1.55
1979	1,094,372	0.66
1978	1,049,174	—
1977	1,075,545	0.90

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	5%	—
1979	—	5%	—
1978	—	—	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$ 11,434,000	$ 9.79
1980	12,944,000	11.03
1979	10,861,000	9.92
1978	9,913,000	9.45
1977	10,255,000	9.53

‡Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock dividends.

Income Account *

Year Ended May 31	1981	1980
Net sales	$ 105,663,000	$ 83,538,000
Cost of sales	78,899,000	60,700,000
Expenses	26,438,000	18,190,000
Interest expense	3,208,000	1,100,000
Income before taxes	$ (2,882,000)	$ 3,548,000
Income taxes (credit)	(1,332,000)	1,733,000
Net Income (Loss)	$ (1,550,000)	$ 1,815,000

* Included in Costs and Expenses, Depreciation and Amortization* $347,000 in 1981 and $183,000 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 167,000	$ 67,000
Receiv., net	16,888,000	11,306,000
*Inventories	24,532,000	19,347,000
Prepaid expense	3,092,000	316,000
Current Assets	$ 44,679,000	$ 31,036,000
#Fixed assets	3,735,000	1,543,000
Total Assets	$ 48,414,000	$ 32,579,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 2,114,000	$ 80,000
Accts. payable	8,889,000	8,571,000
Accruals	1,610,000	971,000
Income taxes	—	1,123,000
Curr. Liabilities	$ 12,613,000	$ 10,745,000
Bank line of credit	11,000,000	8,000,000
Bank term note	5,000,000	—
Subord. debt	6,860,000	—
Long-term debt	821,000	374,000
†Lease hold oblig., less curr. portion	686,000	516,000
+Common stock	1,354,000	1,294,000
Add. paid-in capital	9,929,000	8,854,000
Retained earnings	151,000	2,796,000
Total Liabilities & Shareholders' Equity	$ 48,414,000	$ 32,579,000

*At lower of cost (LIFO) or market.
#Less accumulated depreciation and amortization.
†Accounting for leases under FASB No. 13.
+$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.25
%Net Income to Sales	—	2.17
%Net Income to Equity	—	14.02
Sales to Inventories	4.31	4.32
Working Capital	$32,066,000	$20,291,000
Current Ratio	3.54	2.89
Shareholders' Equity	$11,434,000	$12,944,000

Martin Marietta Corporation

6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Officers: J. Donald Rauth, chairman of the board & chief exec. officer; Thomas G. Pownall, president & chief operating officer; David S. LeVine, sr. v.p.-operations; Laurence J. Adams, sr. v.p.-Aerospace; Charles H. Leithauser, sr. v.p. & chief financial officer; Roy Calvin, Melvin A. McCubbin, David C. Dressler, J. Peter Dunston, Bernard W. Gamson, James D. Simpson, Caleb B. Hurtt, Bobby F. Leonard, Robert J. Whalen, Philip H. Sendel, vice presidents; Mary Jane La Barge, secretary; Robert W. Powell, Jr., treasurer.

Directors: John J. Byrne, A. James Clark, James L. Everett, III, Frank M. Ewing, William W. Hagerty, John L. Hanigan, Melvin R. Laird, Griffin B. Bell, Frank X. Bradley, Charles E. Hugel, Thomas G. Pownall, J. Donald Rauth, David C. Scott, Eugene M. Zuckert.

Areas of Work: Designs and manufactures a wide range of defense and space systems, including space launch vehicles, spacecraft, missiles and other defense systems. Martin Marietta also is a major producer of cement, aluminum, aggregates and specialty chemicals.

Divisions and Subsidiaries:

Martin Marietta Aerospace
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Martin Marietta Cement
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Martin Marietta Chemicals
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Martin Marietta Aggregates
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Martin Marietta Aluminum Inc.
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Orlando Central Park Inc.
Orlando, Florida
Development and operations of Central Florida industrial park.

Chesapeake Park, Inc.
Baltimore, Maryland
Owns and operates property and buildings located at Middle River, Maryland, near Baltimore.

Marietta Resources International, Ltd.
New York, New York

Martin Marietta Laboratories
Relay, Maryland

Martin Marietta Data Systems, Inc.
Bethesda, Maryland

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland 21203

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): New York, Pacific, Midwest, Philadelphia, Amsterdam

Ticker Symbol: ML

Number of Employees:

1981	41,200	1978	28,000
1980	34,650	1977	25,200
1979	30,200		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 3,294,087	$ 200,072
1980	2,619,327	188,133
1979	2,060,843	178,060
1978	1,758,297	136,003
1977	1,439,761	102,110

Martin Marietta Corporation

	No. of Com. Shares #	Earn. per Share #
1981	37,099,456	$ 5.39
1980	37,364,662	5.03
1979	37,601,607	4.73
1978	36,827,562	3.69
1977	35,714,571	2.86

# Based on average number of shares outstanding, adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Cement	$ 200,100,000	$ 188,400,000
Aggregates	171,500,000	185,200,000
Chemicals	276,500,000	258,400,000
Aluminum	522,200,000	593,700,000
Aerospace & other sales	2,123,800,000	1,393,600,000
Total	$3,294,100,000	$2,619,300,000

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1981	$1.80	—	3-for-2
1980	1.55	—	—
1979	1.32	—	—
1978	1.13	—	—
1977	1.00	—	— .

# Adjusted to reflect stock split.

Common Stock Equity

	Total Fquity	Equity Per Share #
1981	$1,199,977,000	$ 33.10
1980	1,103,146,000	29.48
1979	969,456,000	26.01
1978	863,917,000	22.55
1977	725,644,000	20.30

# Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$3,294,087,000	$2,619,327,000
Cost of sales & expenses	3,072,510,000	2,389,102,000
Oper. profit	$ 221,577,000	$ 230,225,000
Other income	71,480,000	54,974,000
Total	$ 293,057,000	$ 285,199,000
Interest expense	9,685,000	6,666,000
Income before taxes	$ 283,372,000	$ 278,533,000
Income taxes	83,300,000	90,400,000
Net Income	$ 200,072,000	$ 188,133,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $117,446,000 in 1981 and $112,143,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & marketable securities	$ 83,853,000	$ 103,365,000
Accts. & notes receiv. net	292,374,000	334,506,000
*Inventories	460,580,000	337,875,000
Prepaid expenses	46,835,000	23,540,000
Current Assets	$ 883,642,000	$ 799,286,000
Investments	66,501,000	53,521,000
#Fixed assets	1,439,445,000	1,077,847,000
Other assets	95,967,000	78,142,000
Intangibles	60,315,000	60,622,000
Total Assets	$2,545,870,000	$2,069,418,000

Liabilities

Long-term debt, curr.	$ 4,250,000	$ 3,817,000
Accts. payable	260,120,000	219,455,000
Accrued payroll	126,166,000	105,867,000
Income taxes	74,155,000	123,155,000
Curr. Liabilities	$ 464,691,000	$ 452,294,000
Long-term debt	359,792,000	162,968,000
Other liabilities	26,762,000	21,176,000
Deferred inc. taxes	494,648,000	329,834,000
+Common stock	41,253,000	27,507,000
Add. paid-in capital	221,712,000	220,886,000
Retained earnings	1,033,900,000	914,857,000
Treasury stock	(96,888,000)	(60,104,000)
Total Liabilities & Shareholders' Equity	$2,545,870,000	$2,069,418,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated epreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	8.60	10.63
%Net Income to Sales	6.07	7.18
%Net Income to Equity	16.67	17.05
Sales to Inventories	7.15	7.75
Working Capital	$ 418,951,000	$ 346,992,000
Current Ratio	1.90	1.77
Shareholders' Equity	$1,199,977,000	$1,103,146,000

Materials Research Corporation

Route 303
Orangeburg, New York 10962
(914) 359-4200

Officers: Sheldon Weinig, president; L.A. Cambey, exec. v.p.; Garrett E. Pierce, v.p.-finance & treasurer; Walter Class, J.H. Hamm, v.p.'s; Robert J. Schultz, v.p. & treasurer; Herbert Stoller, secretary.

Directors: Sheldon Weinig, Herbert Stoller, Frank Bonsal, Jr., Joseph C. Abeles, L.A. Cambey, Clark H. Daugherty, Luther H. Hodges, Jr., Edward E. David, Jr., Robert E. Davis.

Areas of Work: Supplies high purity metals and ceramics and sputtering equipment to the electronics and telecommunications industries.

Divisions:

Advanced Metals Division
Refines and fabricates high purity metals and alloys into the forms required for industrial thin-film application.

Ceramic Products Division
Produces a variety of both exotic and industrial ceramic materials for the microelectronics industry.

Process Equipment Division
Designs, develops and manufactures thin film deposition equipment (sputtering equipment).

Standard Products Division
Supplies demands for R&D quantities of company products; several hundred items are carried in stock, all available for same day shipment to the customer.

Subsidiaries:

Materials Research B.V.
The Netherlands

Materials Research Co., Ltd.
United Kingdom

Materials Research GmbH
Germany

Materials Research S.A.
France

Materials Research S.R.L.
Italy

MRC Export Corporation

MRC Co., Ltd.
Japan

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): Americen

Ticker Symbol: MTL

Number of Employees:

1981	642	1978	414
1980	770	1977	317
1979	650		

Plant Footage:

1981	263,000 sq. ft.	1978	118,000
1980	211,500	1977	118,000
1979	142,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 71,628,000	$ 2,346,000
1980*	71,317,000	4,383,000
1979	43,216,000	2,684,000
1978	27,305,000	1,496,000
1977	19,531,097	884,446

	No. of Com. Shares‡	Earn. per Share‡
1981	3,442,000	$ 0.68
1980	3,255,000	1.34
1979	2,909,000	0.92
1978	2,877,000	0.52
1977	2,856,000	0.31

*53 weeks.
‡Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split#
1981	$0.113	—	4-for-3
1980	0.086	—	2-for-1
1979	0.075	—	3-for-2
1978	0.068	—	5-for-4
1977	0.056	—	—

+ Adjusted to reflect stock splits.
#Distributed in the form of a stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 26,006,000	$ 7.56
1980	23,637,000	7.26
1979	9,871,000	3.39
1978	7,359,000	2.56
1977	6,026,000	2.10

+ Adjusted to reflect stock splits.

Income Account *

Year ended	10/31/81	11/1/80 (53 weeks)
Net sales	$ 71,628,000	$ 71,317,000
Other income (expense)	(533,000)	113,000
Total income	$ 71,095,000	$ 71,430,000
Cost of sales	50,192,000	49,119,000
Expenses	11,913,000	10,540,000
Development exp.	3,520,000	2,433,000
Interest expense	1,528,000	1,152,000
Income before taxes	$ 3,942,000	$ 8,186,000
Income taxes	1,596,000	3,803,000
Net Income	$ 2,346,000	$ 4,383,000

*Included in Costs and Expenses, Depreciation: $909,000 in 1981 and $681,000 in 1980.

Assets

As of	10/31/81	11/1/80
Cash	$ 774,000	$ 375,000
Receiv., net	11,910,000	13,498,000
*Inventories	16,382,000	13,400,000
Prepaid expenses	302,000	341,000
Tax refunds receivable	966,000	—
Deferred income taxes	433,000	—
Current Assets	$ 30,767,000	$ 27,614,000
#Fixed assets	11,009,000	7,897,000
Other assets	284,000	78,000
Total Assets	$ 42,060,000	$ 35,589,000

Liabilities

Notes payable	$ 454,000	$ 531,000
Long-term debt, curr.	707,000	140,000
Accts. payable	3,745,000	2,539,000
Accruals	2,534,000	2,390,000
Income taxes	—	1,584,000
Deferred income taxes'	—	34,000
Curr. Liabilities	$ 7,440,000	$ 7,141,000
Long-term debt	7,847,000	4,579,000
Deferred inc. taxes	767,000	232,000
+Common stock	3,452,000	2,574,000
Add. paid-in capital	8,963,000	9,477,000
Retained earnings	13,591,000	11,632,000
Treasury stock	—	(46,000)
Total Liabilities & Shareholders' Equity	$ 42,060,000	$ 35,589,000

*At lower of average cost or market.
#Less accumulated depreciation.
+$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.50	11.48
%Net Income to Sales	3.28	6.15
%Net Income to Equity	9.02	18.54
Sales to Inventories	4.37	5.32
Working Capital	$23,327,000	$20,473,000
Current Ratio	4.14	3.87
Shareholders' Equity	$26,006,000	$23,637,000

J. Ray McDermott & Co., Inc.

P.O. Box 60035
New Orleans, Louisiana 70160
(504) 587-4411

Officers: J.E. Cunningham, chairman of the board and chief executive officer; R.E. Howson, president and chief operating officer-McDermott; W.M. Vannoy, president and chief operating officer-Babcock & Wilcox; J.A. Lynott, executive v.p. and chief administrative officer; R.C. Bassett, v.p.-materials and transportation; P. Breitmeyer, II, v.p.-corporate planning and development; R.E. Woolbert, v.p.-employee relations; C.F. Kraus, v.p.-tax administration; E.A. Roubidoux, v.p. and controller; R.A. Jolliff, treasurer; K.J. Gilly, v.p., general counsel, and corporate secretary; A. Salem, v.p. & admin. asst. to chief exec. officer; G.F. Ellis, v.p.-Gov't. oper.; N.E. Mezey, v.p.-benefit funds; G.A. Stoddart, v.p.-Fin. relations; J. Tusa, v.p.-corp. mgr. info. services.

Directors: J.E. Cunningham, C.L. Graves, James A. Hunt, John A. Morgan, R.K. Richie, John D. Ritchie, William T. Seawell, Walter B. Shaw, John B. Tweedy, Walter O. Spencer, Walter M. Vannoy, Russell L. Wagner, John A. Lynott, James L. Dutt.

Areas of Work: Marine construction services primarily involve construction of specialized offshore platforms and marine pipelines used for development drilling, production and transportation of oil and gas. Onshore construction services primarily involve construction of land based oil, gas, chemical, petrochemical and mineral processing plants and manufacture of air-cooled heat exchangers. Steam generating equipment includes individually engineered complete fossil fuel boilers, nuclear steam systems, nuclear fuel and nuclear fuel assemblies, and associated equipment for electric utility and marine applications as well as fossil fuel boilers for industrial processes and power generation. Also manufactures automated machines and tools, and pollution control equipment. Tubular products include stainless,alloy and carbon steel, seamless and welded tubes and pipe, tubular and solid shapes, extrusions, special metal tubes, welding fittings and flanges, and seamless rolled rings.

Divisions and Subsidiaries:

Harvey Division Group
  Dredging
  Harvey Fabrication
  Inland Services
  McDermott Divers
  Marine Pipeline
  Harvey, Louisiana

Morgan City Division Groups
  McDermott Shipyard Group
  Morgan City & New Iberia, Louisiana

Nuclear Power Generation
Lynchburg, Virginia

Automated Machine
Rockford, Illinois
Bloomfield Hills & Rochester, Michigan
Hendersonville & Greer, South Carolina

Bailey Controls Company
Dayton Beach, Florida
Wickliffe, Ohio
Williamsport, Pennsylvania

Control Components International
Irvine, California
Diamond Power Specialty Corporation
Lancaster, Ohio
Burlington, Ontario, Canada

Naval Nuclear Fuel Division
Lynchburg, Virginia

Contract Research Division
Alliance, Ohio

Research and Development Division
Alliance,Ohio
Lynchburg, Virginia

Advance Composites Department
Alliance, Ohio

McDermott Structural Group
  McDermott Fabricators
  Bayou Black & Morgan City, Louisiana
  McDermott Offshore
  Morgan City, Louisiana

Equipment & Materials Group
New Orleans, Louisiana

Harvey Supply Company
Harvey, Morgan City & New Orleans, Louisiana
Hudson Engineering Corporation
Houston, Texas

Hudson Products Corporation
Beasley & Houston, Texas

Engineering Services
New Orleans, Louisiana
Houston, Texas
London, England
Singapore
Babcock & Wilcox Canada Ltd.
Cambridge, Ontario, Canada

B & W Construction Company
Copley, Ohio

Fossil Power Generation
Brunswick, Georgia
West Point, Mississippi
Barberton & Canton,Ohio
Paris, Texas

TLT-Babcock
Akron & Medina, Ohio

Industrial and Marine
Wilmington, North Carolina
North Canton, Ohio

Nuclear Equipment
Barberton, Ohio

Nuclear Materials and Manufacturing
Mt. Vernon, Indiana
Apollo & Parks Township, Pennsylvania
Lynchburg, Virginia

Materials Group

  Refractories
  Augusta & Hephzibah, Georgia
  Burlington, Ontario, Canada

  Tubular Products
  Elkhart, Indiana
  Alliance, Ohio
  Ambridge, Pennsylvania
  Beaver Falls, Pennsylvania
  Bryan, Texas
  Milwaukee, Wisconsin

Transfer Agent(s):

First City National Bank of Houston
P.O. Box 809
Houston, Texas 77002

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: MDE

Number of Employees:

1982	59,000	1979	61,000
1981	59,000	1978	58,730
1980	58,000		

Sales and Earnings ‡

	Revenues (000's)	Net Income (000's)
1982	$ 4,843,186	$ 213,449
1981	3,839,698	99,569
1980	3,167,059	90,821
1979	3,414,577	112,984
1978	1,162,268	129,112

	No. of Com. Shares #	Earn. per Share #
1982	36,888,332	$ 4.98
1981	36,675,279	1.89
1980	32,745,544	1.85
1979	32,366,019	2.55
1978	31,670,923	4.10

‡ Restated to reflect adoption of the percentage of completion method of income recognition for its marine construction contract.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1982	$1.65	—	—
1981	1.45	—	—
1980	1.25	—	—
1979	1.00	—	—
1978	0.90	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1982	$1,174,558,000	$ 31.84
1981	1,047,680,000	28.57

‡ Restated.

Income Account
(000's)

Year ended	3/31/82	3/31/81 ‡
Revenues	$ 4,843,186	$ 3,839,698
Cost of sales	3,977,476	3,235,309
Expenses	315,367	305,191
Depreciation & amortization	140,076	126,222
Interest expense	54,583	59,820
Other income	65,225	98,765
Income before taxes	$ 420,909	$ 211,921
Income taxes	207,460	112,360
Net Income	$ 213,449	$ 99,561

‡ Restated.

Assets
(000's)

As of March 31	1982	1981 ‡
Cash	$ 26,865	$ 14,988
Temp. investments	507,594	431,867
Accts. & notes receiv., net	1,010,505	917,548
Contracts in progress	407,181	513,769
*Inventories	367,797	361,805
Prepaid expenses	11,993	10,106
Current Assets	$ 2,331,935	$ 2,250,083
#Fixed assets	1,197,628	1,177,478
Intangibles	338,782	348,018
Other assets	161,687	130,682
Total Assets	$ 4,030,032	$ 3,906,261

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 39,347	$ 116,784
Accts. payable	224,023	231,918
Accruals	535,624	420,801
Advance billings	364,962	407,022
Warranty exp.	97,659	93,587
Dividends payable	24,348	22,229
Income taxes	225,438	253,604
Curr. Liabilities	$ 1,531,401	$ 1,545,945
Deferred income taxes	373,329	356,362
Long-term debt	137,722	125,685
+Redeem. pref. stock	393,763	394,192
+Common stock	37,110	36,979
Add. paid-in capital	262,004	258,996
Retained earnings	881,760	758,792
Treasury stock	(2,800)	(2,912)
Unamort. def. stock plan exp.	(3,516)	(4,175)
Total Liabilities & Shareholders' Equity	$ 4,030,032	$ 3,906,261

‡ Restated.
* At lower of cost (average & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.00 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.69	5.52
%Net Income to Revenues	4.41	2.59
%Net Income to Equity	18.17	9.50
Working Capital	$ 800,534,000	$ 704,138,000
Current Ratio	1.52	1.46
Shareholders' Equity	$1,174,558,000	$1,047,680,000

McDonnell Douglas Corporation

P.O. Box 516
St. Louis, Missouri 63166
(314) 232-0232

Officers: Sanford N. McDonnell, chairman of the board & chief executive officer; John F. McDonnell, president; Donald P. Ames, staff v.p.-McDonnell Douglas Research Labs.; Leo I. Mirowitz, staff v.p.-corporate diversification; William E. Schowengerdt, staff v.p.-auditing; Charles A. Gaskill, staff v.p.-properties & facilities; Arthur W. Hyland, staff v.p.-accounting; Howard C. Todt, staff v.p.-quality assurance; R. Joseph Alagna, staff v.p.-material; Albert J. Redway, Jr., v.p.-Eastern Region; Albert H. Smith, v.p.-contracts & controller; Robert C. Little, v.p.-operations & marketing; Gordon M. Graham, v.p.-Washington, D.C.; Rowland G. Freeman III, staff v.p.-strategic planning; Robert L. Johnson, corp. v.p. & group exec.; Ernie H. Ridenhour, staff v.p.-information resource management; John E. Crosthwait, v.p.-Far East; Harold D. Altis, v.p.-engineering & research; Warren E. Kraemer, v.p.-Europe; Gerald J. Meyer, v.p.-external relations; James S. McDonnell III, v.p.-marketing; James H. MacDonald, v.p.-personnel; Jerry G. Brown, v.p. & treasurer; Michael Witunski, staff v.p.; Walter E. Diggs, Jr., secretary; John T. Sant, v.p.-general counsel; John W. Walbran, assist. general counsel; Stanley J. Sheinbein, asst. treasurer; F. Mark Kuhlmann, asst. secretary; Harry I. Sieferman, tax officer; Marvin D. Marks, staff v.p. -C-X corporatewide program mgr.

Directors: Sanford N. McDonnell*, chairman of the board; John C. Brizendine, George H. Capps, William H. Danforth, Robert L. Johnson, Donald S. Macdonald, John T. Sant, James T. McMillan, Donald W. Douglas, Jr., George S. Graff*, Edwin S. Jones*, Robert C. Little, John F. McDonnell*, William R. Orthwein, Jr.*, James S. McDonnell, III, Michael N. Chetkovich.

*Member of Executive Committee.

Areas of Work: Energy systems; military and commercial aircraft, space vehicles and missiles; electronic systems; data processing services.

Divisions and Subsidiaries:

McDonnell Aircraft Company (Division)
Box 516
St. Louis, Missouri 63166
(314) 232-0232

Douglas Aircraft Company (Division)
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5511

McDonnell Douglas Astronautics Company (Division)
5301 Bolsa Avenue
Huntington Beach, California 92647
(714) 896-3311

McDonnell Douglas Automation Company (Division)
Box 516
St. Louis, Missouri 63166
(314) 232-8021

McDonnell Douglas Electronics Company (Division)
2600 North Third Street
St. Charles, Missouri 63301
(314) 925-4000

McDonnell Douglas-Tulsa (Division)
2000 North Memorial Drive
Tulsa, Oklahoma 74115
(918) 836-1616

MDC Realty Company (Subsidiary)
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5941

McDonnell Douglas Canada Ltd. (Subsidiary)
Malton, Ontario, Canada L5P 1B7
(416) 677-4341

McDonnell Douglas Finance Corporation (Subsidiary)
3855 Lakewood
Long Beach, California 90846
(213) 593-1722

Vitek Systems Inc. (Subsidiary)
595 Anglum Drive
Hazelwood, Missouri 63042
(314) 232-0232

McDonnell Douglas International Sales Corp. (Subsidiary)
Box 516
St. Louis, Missouri 63166
(314) 232-0232

Microdata Corp.
17481 Red Hill Avenue
Irvine, California
(714) 540-6730

Transfer Agent(s):

Shareholder Records Department
McDonnell Douglas Corporation
St. Louis, Missouri

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

The Chase Manhattan Bank
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s): New York, Pacific, Brussels, Amsterdam.

* Listed and/or traded.

Ticker Symbol: MD

Number of Employees:

1981	74,264	1978	70,547
1980	82,550	1977	61,577
1979	82,736		

Plant Footage:

1981	28,800,000 sq. ft	1978	25,600,000
1980	27,900,000	1977	25,200,000
1979	26,766,914		

Sales and Earnings

	Revenues	Net Income
1981	$7,501,300,000	$ 176,600,000
1980	6,198,000,000	144,600,000
1979	5,425,841,847	199,103,025
1978	4,258,051,687	161,106,272
1977	3,605,018,544	122,958,128

	No. of Com. Shares	Earn. per Share ‡
1981	38,500,000	$ 4.44
1980	38,300,000	3.65
1979	37,505,067	5.06
1978	37,224,081	4.14
1977	37,011,096	3.20

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Commercial aircraft	$ 2,447,200	$ 2,219,500
Military aircraft	3,600,100	2,693,600
Spacecraft & missiles	952,100	830,200
Automation, electronics & optics	385,500	323,000
Total Sales	$ 7,384,900	$ 6,066,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.06	—	—
1980	0.90	—	—
1979	0.75	—	—
1978	0.60	—	—
1977	0.50	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 1,653,500	$ 42.93
1980	1,512,500	39.50
1979	1,378,207	36.75
1978	1,199,783	32.23
1977	1,055,781	28.53

McGraw-Edison Company

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 7,384,900	$ 6,066,300
Other income	116,400	131,700
Revenues	$ 7,501,300	$ 6,198,000
Cost of sales	6,296,400	5,240,900
Expenses	903,300	787,700
Interest & debt. exp.	69,800	11,700
Income before taxes	$ 231,800	$ 157,700
Income taxes	55,200	13,100
Net Income	$ 176,600	$ 144,600

* Included in Costs and Expenses, Depreciation and Amortization: $141,800,000 in 1981 and $99,600,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & time deposits	$ 15,400	$ 11,400
Receiv., net	501,100	482,300
Inventories & contracts	2,488,400	2,415,700
Prepaid expenses	9,300	10,400
Current Assets	$ 3,014,200	$ 2,919,800
#Fixed assets	727,400	623,900
Other assets	582,200	315,500
Defer. charges	40,400	40,600
Total Assets	$ 4,364,200	$ 3,899,800

Liabilities
(000's)

	1981	1980
Notes payable	$ 244,000	$ 241,300
Long-term debt, curr.	229,900	7,800
Accts. payable	612,200	597,600
Accruals	118,300	114,300
Employee compensation	164,600	181,600
Progress payments receiv.	162,600	169,400
Income taxes	614,100	597,800
Est. contract adjust.	700,700	401,600
Curr. Liabilities	$ 2,639,400	$ 2,311,400
Long-term debt	71,300	75,900
+Common stock	39,300	39,300
Add. paid-in capital	360,000	346,700
Retained earnings	1,276,500	1,141,100
Foreign curr. statements	(3.200)	—
Treasury stock	(19,100)	(14,600)
Total Liabilities & Shareholders' Equity	$ 4,364,200	$ 3,899,800

# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	3.09	2.54
%Net Income to Revenues	2.35	2.33
%Net Income to Equity	10.68	9.56
Working Capital	$ 374,800,000	$ 608,400,000
Current Ratio	1.14	1.26
Shareholders' Equity	$1,653,500,000	$1,512,500,000

McGraw-Edison Company

One Continental Towers
1701 Golf Road
Rolling Meadows, Illinois 60008
(312) 981-3800

Officers: Edward J. Williams, chairman, president and chief executive officer; W. Glenn Gordon, exec. v.p.-Commercial and Industrial Groups; William S. Kingsolver, exec. v.p.-Power Systems and Service Groups; Richard W. Vieser, exec. v.p.-Automotive and Process Equipment Groups; George L. Faulstich, Jr., sr. v.p.-finance & chief financial officer; Thomas L. Bindley, v.p. & treasurer; Martin S. Casper, v.p.-corporate properties; Paul J. Curtin, v.p.-technological development; James A. fischer, v.p.-corporate development; Donald G. Gaertner, v.p.-human resources; William C. Heilbrun, v.p.-materials management; Evan Jeney, v.p. & president-Service Group; Floyd M. McKenna, v.p. & president-Power Systems Group; James N. Mills, v.p. & president-Industrial Group; Robert C. Morgan, II, v.p.-taxes; Edwin H. Rachie, v.p.-industrial relations; William R. Rawson, v.p.-law & administration, corporate secretary; Dan T. Thomson, v.p. & president-Commercial Group; James S. Yerbic, controller.

Directors: Edward J. Williams, chairman; Royal D. Alworth, Jr., L. Hardwick Caldwell, Jr., Donald P. Kelly, John A. Logan, Marvin G. Mitchell*, Robert T. Powers, Richard N. Rosett*, Boyd J. Simmons*.

*Member of the Executive Committee.

Divisions:

Industrial

Bussmann Division
P.O. Box 14468
St. Louis, Missouri 63178
(314) 421-1740
Fuses and fuse receptacles.

Onan Corporation
1400 73rd Avenue N.E.
Minneapolis, Minnesota 55432
(612) 574-5000
Manufactures portable and stationary electric generator sets.

Controls Division
McGraw Edison Company
1080 N. Crooks Road
Clawson, Michigan 48017
(313) 435-0700
Manufactures electronic and electromechanical controls for a variety of industrial applications.

Commercial

Lighting Products Division
400 Busse Road
Elk Grove Village, Illinois 60007
(312) 956-8400
Manufactures a variety of indoor and outdoor lighting fixtures for industrial, commercial and residential applications.

International Metal Products Division
P.O.Box 20188
Phoenix, Arizona 85036
(602) 949-9717
Manufactures evaporative coolers.

Clarke Division
2800 Estes Street
Muskegon, Michigan 49441
(616) 759-8545
Commercial and industrial floor and carpet maintenance equipment.

Power Systems Equipment

Power Systems Group
McGraw Edison Company
P.O. Box 2850
Pittsburgh, Pennsylvania 15230
(412) 777-3200
Manufactures a broad line of electrical transmission and distribution equipment including transformers, circuit breakers and reclosers, arresters, fuses, capacitors, voltage regulators, line hardware, large electrical motors and batteries.

Process Equipment

Worthington Group
McGraw Edison Company
233 Mount Airy Road
Basking Ridge, New Jersey 07920
Manufactures pumps used in petroleum, chemical, marine, agricultural, and marine industries; compressors; and steam turbines for power generation for the process industries and small electric generating plants.

Masoneilan Division
McGraw Edison Company
1776 Woodstead Court
The Woodlands, Texas 77380
(713) 367-5741
Manufactures and markets valves and other automatic control equipment used in the process industries and power generation.

Service

Service Group
McGraw Edison Company
P.O. Box 21396
Columbus, Ohio 43221
(614) 459-1200
Repairs, redesigns and remanufactures electrical and mechanical equipment, electrical controls and electric lifting magnets.

Automotive

Wagner Division
100 Misty Lane
Parsippany, New Jersey 07054
(201) 386-9300
Manufactures automotive brake and lighting products.

Campbell Chain Division
P.O. Box 3056
York, Pennsylvania 17402
(717) 755-2921
Manufactures and markets welded and weldless chain, tackle blocks and clamps and lifting devices.

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Marine Midland Bank
140 Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: MGR

Number of Employees:

1981	34,000	1978	25,000
1980	35,000	1977	24,000
1979	38,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1981	$ 2,428,500	$ 84,100
1980	2,263,600	51,000
1979	1,330,869	72,732
1978	689,127	66,420
1977	592,410	57,291

	No. of Com. Shares	Earn. per Share #
1981	16,687,163	$ 5.11
1980	16,331,743	3.12
1979	16,338,347	4.44
1978	16,485,000	4.04
1977	16,287,000	3.50

+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Power systems	$ 489,900	$ 433,300
Service	187,500	197,600
Industrial	403,800	353,700
Commercial	239,100	251,900
Automotive	427,400	396,200
Process Equip.	697,300	648,300
Interseg. elim.	(16,500)	(17,400)
Total	$ 2,428,500	$ 2,263,600

McGraw-Edison Company

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.80	—	—
1980	1.80	—	—
1979	1.80	—	—
1978	1.70	—	—
1977	1.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 584,600	$ 35.03
1980	543,900	33.30
1979	522,537	31.98
1978	477,218	28.95
1977	436,372	26.63

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,428,500	$ 2,263,600
Cost of sales	1,717,800	1,653,100
Expenses	473,800	427,100
Interest expense (income)	69,500	88,900
Other charges (income)	13,300	(600)
Eq. in earnings of unconsol. entities	(3,900)	(4,000)
Income taxes	67,300	44,800
Minority interests	7,000	3,900
Income from cont. oper.	$ 83,700	$ 50,400
Income from discont. oper.	400	600
Net Income	$ 84,100	$ 51,000

* Included in Costs and Expenses, Depreciation: $66,300,000 in 1981 and $57,800,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & marketable securities	$ 28,400	$ 56,300
Receiv., net	459,200	453,300
*Inventories	503,700	516,700
Other curr. assets	44,100	24,400
Current Assets	$ 1,035,400	$ 1,050,700
Assets of discont. oper.	33,100	73,300
#Fixed assets	575,000	517,800
Eq. in. unconsol. entities	37,400	35,800
Other assets	80,500	105,600
Total Assets	$ 1,761,400	$ 1,783,200

Liabilities
(000's)

	1981	1980
Notes payable & comm. paper	$ 29,300	$ 24,800
Long-term debt, curr.	7,200	5,300
Accts. payable	152,000	166,700
Accruals	234,700	254,700
Income taxes	17,900	13,400
Curr. Liabilities	$ 441,100	$ 464,900
Long-term debt	539,400	604,200
Other liab.	124,100	104,500
Minority interests	72,200	65,700
+Common stock	16,800	16,600
Add. paid-in capital	85,300	80,800
Retained earnings	507,600	453,100
Foreign currency translation adjustment	(21,800)	—
Treasury stock	(3,300)	(6,600)
Total Liabilities & Shareholders' Equity	$ 1,761,400	$ 1,783,200

* At lower of cost (LIFO for domestic, FIFO for foreign) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.38	9.38
Sales to Inventories	4.82	4.38
Working Capital	$594,300,000	$585,800,000
Current Ratio	2.34	2.26
Shareholders' Equity	$584,600,000	$543,900,000

Measurement Systems, Incorporated

121 Water Street
Norwalk, Connecticut 06854
(203) 838-5561

Officers: Morton H. Mehr, president & treasurer; Robert D. Gorsoski, vice president & secretary.

Directors: Morton H. Mehr, Allan B. Campbell, Robert N. Grosby.

Areas of Work: Engaged in designing and building electromechanical and electronic products, primarily manual controls of radar, aircraft, computer & air-traffic control systems.

Measurement Systems International, Inc. (DISC)

Transfer Agent(s):

Industrial National Bank of Rhode Island
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	53	1977	33
1979	46	1976	23
1978	39		

Plant Footage:

1981	18,500 sq. ft.	1978	10,000
1980	10,000	1977	10,000
1979	10,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 5,264,260	$ 1,118,657
1981	4,087,918	789,565
1980	3,075,646	564,558
1979	2,330,353	437,193
1978	1,565,995	317,034

	No. of Com. Shares	Earn. per Share
1982	140,473	$ 7.96
1981	140,473	5.62
1980	140,473	4.02
1979	140,473	3.11
1978	140,473	2.26

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$1.40	—	—
1981	1.05	—	—
1980	0.80	—	—
1979	0.60	—	—
1978	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 3,396,839	$ 24.18
1981	2,474,844	17.62
1980	1,832,776	13.05
1979	1,380,596	9.83
1978	1,027,687	7.32

Income Account *

Year ended	2/28/82	2/28/81
Net sales	$ 5,264,260	$ 4,087,918
Cost of sales	2,279,920	1,820,477
Expenses	911,713	790,052
Other income	(173,619)	(78,964)
Prof. sh. plan	183,150	123,310
Income before taxes	$ 2,063,096	$ 1,433,043
Income taxes	944,439	643,478
Net Income	$ 1,118,657	$ 789,565

*Included in Costs and Expenses, Depreciation: $43,970 in 1982 and $45,674 in 1981.

Assets

As of	2/28/82	2/28/81
Cash	$ 1,832,445	$ 1,125,903
Accts. receiv., net	1,336,102	797,052
*Inventories	802,651	828,077
Prepaid expenses	56,254	49,561
Current Assets	$ 4,027,452	$ 2,800,593
# Fixed assets	183,353	186,784
Other assets	9,845	2,998
Total Assets	$ 4,220,650	$ 2,990,375

Liabilities

	2/28/82	2/28/81
Accts. payable	$ 77,189	$ 61,916
Customer deposits	61,151	—
Prof. sh. plan	183,150	123,310
Income taxes	339,399	213,731
Payroll taxes	128,058	92,431
Other liabilities	34,864	24,143
Curr. Liabilities	$ 823,811	$ 515,531
+ Common stock	140,473	140,473
Add. paid-in capital	6,371	6,371
Retained earnings	3,249,995	2,328,000
Total Liabilities & Shareholders' Equity	$ 4,220,650	$ 2,990,375

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	39.19	35.06
%Net Income to Sales	21.25	19.31
%Net Income to Equity	32.93	31.90
Sales to Inventories	6.56	4.94
Working Capital	$3,203,641	$2,285,062
Current Ratio	4.89	5.43
Shareholders' Equity	$3,396,839	$2,474,844

Measurex Corporation

One Results Way
Cupertino, California 95014
(408) 255-1500

Officers: David A. Bossen, president & chief executive officer; John C. Gingerich, sr. v.p.-U.S. Sales and Service; Fernand Ostiguy, president-Measurex International Corporation; Jerome Raffel, sr. v.p.-operations; Donald L. Waite, sr. v.p.-finance; Doris S. Bossen, v.p.-corp. communications; Morris J. Fealy, v.p.-Measurex Europe; James J. Heffernan, v.p. & controller; Thomas A. King, v.p.-engineering; Victor Kirk, v.p.-operations, Measurex Ireland, Ltd.; Lance M. Lissner, president-Measurex Japan, Inc.; John F. Lynch, v.p.-corp. programs; William H. Moore, v.p.-new products; Phillip E. Peterson, v.p.-personnel; John G. Preston, managing director-Measurex Europe; Phillip R. Trapp, v.p.-Energy Systems; Glenn R. Wienkoop, v.p.-Pulp, Paper & Industrial Systems; Riley R. Wilcox, v.p.-advanced products; Fred R. Bierbrauer, treasurer; John W. Larson, secretary.

Directors: Paul Bancroft III, Dwight C. Baum, Orion L. Hoch., Graham Tyson, David A. Bossen, John W. Larson, John W. McKittrick.

Areas of Work: Develops, manufactures and markets automatic control systems (high-accuracy proprietary sensors linked to digital computers). Product line provides materials control, throughput control, energy control and quality control for manufacturers in the continuous process industries.

Subsidiaries:

Measurex Pty. Ltd.
1-3 Atchinson Street
St. Leonards, N.S.W. 2065
Australia

Measurex Int'l. G.m.b.H.
Gottfried Keller-Gasse 2/26
1030 Vienna
Austria

Measurex do Brasil Controles
de Processamento Ltda.
P.O. Box 1193
Rua Coelho Neto, 329
13100 Campinas, SP
Sao Paolo, S.P. Brazil

Measurex, Inc.
20216 Fraser Highway
Suite 202
Langley B.C. V3A 4E6
Canada

Measurex Inc.
Suite 136
981 Pierre Dupuy Street
Longueuil, Quebec J4K 1A1
Canada

Measurex OY
P.O. Box 61
Tunnelitie 3
02700 Kauiainen
Finland

Measurex S.A.
8 Rue des Pyrenees
SILIC 537
94633 Rungis Cedex
France

Measurex S.A.
30 Quai Rambaud
69002 Lyon
France

Measurex gmbH
Frankfurter Allee 27
6236 Eschborn/Taunus
West Germany

Measurex B.V.
Laageinde 13B
4191 Nr. Geldermalsen
The Netherlands

Measurex Italia S.R.L.
Via Martinetti, 7
20147 Milan
Italy

Measurex (Ireland) Ltd.
Industrial Estate
Waterford, Ireland

Measurex Japan Ltd.
2-11 Higashi-kojiya 6-chome
Ohta-ku, Toyko 144
Japan

Measurex International Systems Limited
Measurex, House
Slough Road
Datchet
Slough SL 3 9AU
England

Measurex International Corporation
c/o International Mill Supply de Mexico SA
Avenue Ejercito Nacional 884-302
Mexico 5, D.F., Mexico

Measurex Systems NZ Ltd.
P.O. Box 604
1547 Whakaane Rotorua
New Zealand

Measurex (Portugal)
Sistemas de Controle Lda.
Av. 22 de Dezembro, 21-5 C
2900 Setubal, Portugal

Measurex South Africa (Pty.) Ltd.
Third Level, Eden Mall
53 Van Riebeeck Avenue
Edenvale, 1610, TVL
Republic of South Africa

Measurex Sweden AB
Box 5091
S-781 05 Borlange
Sweden

Transfer Agent(s):
Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: MX

Number of Employees:

1981	2,193	1978	1,808
1980	2,080	1977	1,463
1979	2,101		

Sales and Earnings

	Operating Revenues	Net Income
1981	$ 119,702,000	$ 2,101,000
1980	122,033,000	7,323,000
1979	119,474,000	9,928,000
1978	88,541,000	8,763,000
1977	64,123,000	5,357,000

	No. of Com. Shares #	Earn. per Share #
1981	3,524,000	$ 0.60
1980	3,507,000	2.09
1979	3,526,000	2.82
1978	3,370,000	2.60
1977	3,241,000	1.65

# Based on the average number of common shares and common share eqivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 76,570,000	$ 21.73
1980	75,534,000	21.54
1979	68,164,000	19.33
1978	57,284,000	17.00
1977	48,984,000	15.11

Income Account *
(000's)

Year ended	11/29/81	11/30/80
Oper. revenues	$ 119,702	$ 122,033
Cost of sales, rentals & serv.	75,359	73,180
Expenses	30,711	28,014
New prod. devel. costs	7,301	6,317
Interest expense	4,822	5,216
Other income	(2,113)	(1,463)
Income before taxes	$ 3,622	$ 10,769
Income taxes	1,521	3,446
Net Income	$ 2,101	$ 7,323

* Included in Costs and Expenses, Depreciation and Amortization: $2,374,000 in 1980.

Assets
(000's)

	11/29/81	11/30/80
Cash	$ 3,076	$ 2,422
Accts. receiv., net	41,025	40,255
*Inventories	34,881	34,470
Prepaid expenses	786	797
Current Assets	$ 79,768	$ 77,944
Lease contracts receiv.	3,117	3,647
Investments	8,335	13,143
Serv. parts	11,760	10,612
#Fixed assets	23,163	23,649
Other assets	3,113	2,673
Total Assets	$ 129,256	$ 131,668

Liabilities
(000's)

Notes Payable & long-term debt, curr.	$ 3,466	$ 4,798
Accts. payable	5,387	4,558
Accruals	18,871	17,044
Income taxes	2,392	1,633
Def. income taxes	279	1,192
Curr. Liabilities	$ 30,395	$ 29,225
Long-term debt	14,586	18,169
Deferred inc. taxes	7,705	8,740
+Shareholders' equity	76,570	75,534
Total Liabilities & Shareholders' Equity	$ 129,256	$ 131,668

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Oper. Rev.	3.03	8.82
%Net Income to Oper. Rev.	1.76	6.00
%Net Income to Equity	2.74	9.69
Working Capital	$49,373,000	$48,719,000
Current Ratio	2.62	2.67
Shareholders' Equity	$76,570,000	$75,534,000

Mechanical Technology Incorporated

968 Albany Shaker Road
Latham, New York 12210
(518) 785-2211

Officers: Harry Apkarian, president & chief executive officer; Beno Sternlicht, chairman of the board & technical director; John Recupero, treasurer; V.B. Boghosian, secretary.

Directors: Beno Sternlicht*, chairman; Harry Apkarian*, V.B. Boghosian, H. Kaye Kerr, Charles Janjikian*, Wayne B. Lyon*, G. Mosteller*, Felix J. Ponzek.

*Member of the Executive Committee.

Areas of Work: Operates in four different areas— Research & Development provides problem-solving research, development and prototype manufacturing services in mechanical engineering, electrical engineering, measurement science, and energy technology. Energy Systems develops, manufactures, and sells steam turbines and waste energy recovery systems. Quality Assurance Equipment and Instrumentation produces high accuracy inspection systems, shock and vibration testing systems, and coordinate measuring machines. Metal Fabrications manufactures decorative trim, stampings, and hardware, primarily for the auto industry.

Divisions:

Boice Division
968 Albany Shaker Road
Latham, New York 12110
(518) 785-2211

10 Boice Road
Hyde Park, New York 12538
(914) 229-2171

New Karner Road
Colonie, New York
(518) 456-4131

Mechanical Technology Incorporated

Research & Development Division
968 Albany Shaker Road
Latham, New York 12110
(518) 785-2211

Ling/L.A.B. Division
P.O. Box G
Skaneateles, New York 13152
(315) 685-5781

Subsidiaries:

St. Clair Metal Products Company
1721 Dove Street
Port Huron, Michigan 04860
(313) 984-5123

Acquisition(s):

Ling Electronics, Inc. (May 1981)
Anaheim, California
. Manufactures electrodynamic shakers.

Shaker Research Corporation (September 1981)
Engaged in the performance of research, development and other engineering services.

Transfer Agent(s):

Mrs. Betty Apkarian
968 Albany Shaker Road
Latham, New York 12110

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Revenues +	Net Income ‡
1981	$ 50,699,000	$ 3,048,000
1980	43,731,000	2,863,000
1979	43,287,000	2,854,000
1978	27,579,000	2,825,703
1977	20,571,000	2,055,891

	No. of Com. Shares	Earn. per Share ‡ #
1981	2,782,248	$ 1.04
1980	3,421,868	0.92
1979	2,663,768	1.09
1978	2,040,768	1.09
1977	2,039,768	0.94

+ Of continuing operations only.
‡ Including extraordinary credits of $900,000 ($0.33 per share) in 1978, $950,000 ($0.44 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 19,968,000	$ 7.18
1980	26,407,000	7.72
1979	11,132,000	4.18
1978	6,418,261	3.15
1977	3,586,558	1.76

Income Account *

Year ended Sept. 30	1981	1980
Sales	$ 50,699,000	$ 43,731,000
Cost of sales	36,210,000	30,678,000
Expenses	9,824,000	8,523,000
Prod. develop. costs	1,205,000	1,334,000
Oper. profit	$ 3,460,000	$ 3,196,000
Gain on sale of int. in Turbonetics	(1,864,000)	(779,000)
Interest expense	1,207,000	397,000
Miscellaneoume	1,421,000	739,000
Income before taxes	$ 5,538,000	$ 4,317,000
Income taxes	2,207,000	1,818,000
Inc. from cont. oper.	$ 3,331,000	$ 2,499,000
Inc. (Loss))from discont. oper.	(283,000)	364,000
Net Income	$ 3,048,000	$ 2,499,000

* Included in Costs and Expenses, Depreciation: $1,115,000 in 1981 and $1,133,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash & cert. of dep.	$ 289,000	$ 4,310,000
Notes receiv.	2,478,000	—
Receiv., net	13,012,000	12,056,000
*Inventories	7,918,000	6,282,000
Deferred income tax	—	407,000
Prepaid expenses	253,000	243,000
Current Assets	$ 24,040,000	$ 23,298,000
#Fixed assets	7,248,000	7,624,000
Invest. in affil. co.	327,000	501,000
Other assets	643,000	659,000
Notes receivable	2,032,000	—
Total Assets	$ 34,290,000	$ 32,082,000

Liabilities

	1981	1980
Notes payable	$ 1,168,000	$ —
Long-term debt & cap. leases curr.	795,000	28,000
Income taxes	665,000	194,000
Accts. payable	3,400,000	2,895,000
Accrued & other liabilities	2,475,000	1,998,000
Curr. Liabilities	$ 8,503,000	$ 5,095,000
Long-term debt & cap. leases	5,421,000	143,000
Deferred federal income taxes	398,000	359,000
Minority interest	—	78,000
+Common stock	2,815,000	3,455,000
Add. paid-in capital	9,014,000	17,997,000
Retained earnings	8,139,000	5,091,000
Treasury stock	—	(136,000)
Total Liabilities & Shareholders' Equity	$ 34,290,000	$ 32,082,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	15.26	9.46
Working Capital	$15,537,000	$18,203,000
Current Ratio	2.83	4.57
Shareholders' Equity	$19,968,000	$26,407,000

Medtronic, Inc.

3055 Old Highway Eight
P.O. Box 1453
Minneapolis, Minnesota 55440
(612) 574-4000

Officers: Earl E. Bakken, chairman of the board; Dale R. Olseth, president & chief executive officer; Charles F. Cuddihy, Jr., B. J. Amdahl, exec. v.p.'s; Donald R. Stone, sr. v.p.; R.J. Dittrich, v.p., secretary & general counsel; Richard L. Fast, v.p.-U.S. Cardiovascular operations; Gerard C. Planchon, v.p.-Europe/Middle East/African operations; Donald R Stone, sr. v.p.-product assurance and regulatory affairs; Lawrence J. Whalen, v.p.-new business group; John A. Meslow, v.p.-personnel & human resources; Whitney A. McFarlin, v.p.-pacing products groups; Gerald D. Van Eeckhout, v.p.-corp. relations, & administration; V. David Schwantes, v.p.-finance & planning, treasurer & controller; Richard W. Nunn, Paul W. Ernst, asst. treasurers; William E. Drake, asst. secretary & deputy general counsel; Lew Schwartz, asst. secretary.

Directors: Earl E. Bakken, Thomas E. Holloran, Gerald W. Simonson, Richard L. Schall, Dale R. Olseth, Winston R. Wallin, Charles F. Cuddihy, Jr., Richard E. Horner, F. Caleb Blodgett, Richard A. Swalin, Glen D. Nelson.

Areas of Work: Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, patient monitoring & follow-up services, prosthetic heart valves and nuclear and ultra-sound imaging software.

Divisions and Subsidiaries:

Mirco-Rel Division
2343 W. 10th Place
Tempe, Arizona 85283
(602) 968-6411

Population Research Inc.
P.O. Box 319,
Smith & Crew Road
Georgetown, Grand Cayman
British West Indies

Interamerica Medtronic, Inc
Atrium Office Park
Suite 210/211
3900 Northwest 79th Avenue
Miami, Florida 33166

Medtronic Fabrication
Zone Industrielle Sud
Route d'Anor
59610 Fourmies, France

Medtronic Blood Systems Inc.
21st Avenue North at Fernbrook Lane
Plymouth, Minnesota 55441

New England Research Center Division
45 William Street
Wellesley, Massachusetts

Medtronic Physiological Research Laboratories
1500 Northdale Boulevard
Coon Rapids, Minnesota 55433

Medtronic Biomedical Pty. Ltd.
Suite 8
409 King George's Road
Beverly Hills
2209 N.S.W.
Australia

Medtronic do Brasil Ltda.
Avenida Tambor'e 1433
Alphaville,
06400 Barueri
Sao Paulo, Brazil

Medtronic of Canada Ltd
6733 Kitimat Rd.
Mississauga, Ontario L5N 1W3
Canada
(416) 826-6020

Medtronic France S.A.
120, Avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
Paris, France

Medical Data Systems Division
2311 Green Road
Ann Arbor,Michigan 48105

Kastec Corporation
21st Avenue North at Fernbrook Lane
Plymouth, Minnesota 55441

Meditronic B.V.
Wenckebachstraat, 10
6466 Kerkrade-West
The Netherlands

Cardiocare Division
425 East 61st Street
New York, New York 10021

Hermadyne Division
3055 Old Highway Eight
P.O. Box 1453
Minneapolis, Minnesota 55440

Neuro Division
2199 Noth Pascal
St. Paul, Minnesota 55113

Med Rel, Inc.
P.O. Box 8687
Humacao, Puerto Rico 00661

Medtronic Puerto Rico, Inc.
P.O. Box M
Villalba, Puerto Rico 00766

Energy Technology
Division of Medtronic, Inc.
6700 Shingle Creek Parkway
Brooklyn Center, Minnesota 55430

Transfer Agent(s):

Northwestern Trust Company of New York
New York, New York

Northwestern National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: MDT

Number of Employees:

1981	4,792	1978	3,550
1980	4,485	1977	3,403
1979	4,051		

Plant Footage:

1981	1,032,732 sq. ft.	1978	954,000
1980	1,034,022	1977	903,000
1979	1,034,022		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 313,560,000	$ 41,872,000
1980	270,366,000	38,674,000
1979	224,067,000	23,472,000
1978	182,201,000	17,308,000
1977	148,278,000	14,607,000

	No.of Com. Shares †	Earn. per Share #
1981	15,559,357	$ 2.70
1980	15,422,660	2.52
1979	15,280,022	1.54
1978	15,158,410	1.15
1977	15,033,388	0.98

+ Includes commissions.
† Adjusted to reflect stock split.
# Based on weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.48	—	—
1980	0.30	—	2- for-1
1979	0.24	—	—
1978	0.20	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 209,541,000	$ 13.47
1980	172,522,000	11.19
1979	136,288,000	8.92
1978	115,087,000	7.59
1977	99,558,000	6.62

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended April 30	1981	1980
Net sales & commission	$ 313,560	$ 270,366
Cost of sales	114,956	98,292
Expenses	139,662	118,755
Interest expense	4,754	3,841
Interest income	(6,184)	(3,696)
Income before taxes	$ 60,372	$ 53,174
Income taxes	18,500	14,500
Net Income	$ 41,872	$ 38,674

* Included in Costs and Expenses, Depreciation and Amortization: $10,403,000 in 1981 and $7,176,000 in 1980.

Assets
(000's)

As of April 30	1981	1980
Cash	$ 990	$ 2,194
Cert. of deposit	56,990	28,321
Accts. receiv. net	71,239	71,105
*Inventories	86,606	69,677
Prepaid expenses	9,536	7,994
Current Assets	$ 225,361	$ 179,291
#Fixed assets	65,243	56,040
Other assets	10,977	8,657
Total Assets	$ 313,197	$ 256,760

Liabilities
(000's)

Notes payable	$ 18,244	$ 22,789
Accts. payable	21,470	16,157
Accured payroll	11,913	10,607
Accruals	11,517	9,802
Income taxes	9,226	2,366
Curr. Liabilities	$ 72,370	$ 61,721
Long-term debt	13,810	10,408
Product Warranties	12,864	7,732
Deferred inc. taxes	4,612	4,377
+Common stock	1,556	1,542
Add paid-in capital	45,071	42,495
Retained earnings	162,914	128,485
Total Liabilities & Shareholders' Equity	$ 313,197	$ 256,760

* At lower of cost (FIFO) or market.
# Less accumlulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.25	19.67
%Net Income to Sales	13.35	14.30
%Net Income to Equity	19.98	22.42
Working Capital	$152,991,000	$117,570,000
Current Ratio	3.11	2.90
Shareholders' Equity	$209,541,000	$172,522,000

Megadata Corporation

35 Orville Drive
Bohemia, New York 11716
(516) 589-6800

Officers: Y.N. Bachana, chairman of the board & president; John R. Keller, exec. v.p. & secretary; Biagio Inzerillo, v.p.-programming; James J. Kelly, v.p.-operations.

Directors: Yitzhak N. Bachana, chairman; John R. Keller, Biagio Inzerillo, Richard R. Schilling, Jr., Ronald S. Goldstein.

Areas of Work: Engaged in the development and manufacture of CRT data displays and terminals. Typical Applications include airlines reservation terminals, communication network monitoring systems, communications network terminals, credit verification terminals, banking-credit authorization terminals, automated text editing data displays systems.

Subsidiaries:

TSD Display Products, Inc.
302 Legget Drive
Kanata, Ontario K2K 1Y5
Canada

Develops, manufactures and markets touch screen digitizers, display monitors, and welded wire frames.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MDTA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1980	$ 9,114,846	$ 287,294
1979	9,233,921	354,770
1978	7,477,377	202,889
1977	6,207,713	(88,622)
1976	5,874,864	294,723

	No. of Com. Shares	Earn. per Share #
1980	1,134,500	$ 0.25
1979	1,130,398	0.31
1978	1,148,809	0.18
1977	1,115,250	—
1976	1,093,550	0.36

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 2,964,737	$ 2.62
1979	2,658,387	2.38
1978	2,303,617	2.07
1977	2,100,728	1.88
1976	2,145,948	1.96

Income Account *

Year ended Oct. 31	1980	1979
Net sales	$ 9,114,846	$ 9,233,921
Cost of sales	6,991,492	6,972,832
Expenses	1,422,453	1,489,249
Interest expense	178,607	153,270
Income before taxes	$ 522,294	$ 618,570
Income taxes	235,000	263,800
Net Income	$ 287,294	$ 354,770

Assets

As of Oct. 31	1980	1979
Cash	$ 706,408	$ 240,841
Accts. receiv., net	1,842,869	1,998,405
* Inventories	1,779,781	2,770,678
Prepaid expenses & sundry receiv.	41,545	62,351
Current Assets	$ 4,370,603	$ 5,072,275
# Fixed assets	512,860	426,650
Other assets	17,796	44,206
Total Assets	$ 4,901,259	$ 5,543,745

Liabilities

Long-term debt, curr.	$ 404,722	$ 260,111
Accts. payable	511,990	1,179,849
Accruals	295,826	290,392
Accrued taxes	31,200	90,338
Curr. Liabilities	$ 1,243,738	$ 1,820,690
Long-term debt	560,585	965,411
Deferred inc. taxes	132,199	99,257
+ Common stock	11,318	11,153
Add. paid-in capital	1,834,820	1,815,929
Retained earnings	1,118,599	831,305
Total Liabilities & Shareholders' Equity	$ 4,901,259	$ 5,543,745

* At lower of cost (FIFO) or market (replacement cost).
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.73	6.70
%Net Income to Sales	3.15	3.84
%Net Income to Equity	9.69	13.35
Sales to Inventories	5.12	3.33
Working Capital	3,126,865	3,251,585
Current Ratio	3.51	2.79
Shareholders' Equity	2,964,737	2,658,387

Methode Electronics, Inc.

7444 West Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600

Officers: William J. McGinley, president; William T. Jensen executive vice president; Kevin Hayes, v.p. & treasurer Robert C. Keck, secretary; Dennis L. Stalzer, exec. v.p. William H. Hawkins, v.p., Technical Components Inc. Michael G. Andre, v.p., Interconnect Products Div.; Arnol A. Brevick, v.p., Carthage Precision Electric Company; Joh L. Glasser, v.p., Methode Electronics, Inc.-East; J. Willia Graham, president, Trace Instruments; Gerald E. Kirschenbaum, v.p., Trace Laboratories; Ronald W. Lesky, v.p., Connector Div.; Eric L. Vollmar, president, Graphic Research Inc.

Directors: William J. McGinley, William T. Jensen, Georg C. Wright, Robert C. Keck, Raymond J. Roberts, William C Croft.

Areas of Work: Develops and manufactures electronic component devices, including printed circuits, connectors, switches, busbars and back-planes, used in the production of equipment such as computers, communication systems and consumer electronic equipment.

Divisions and Subsidiaries:

Methode Development Corp.
7447 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Electronic chemicals, materials, process refinement.

Printed Circuit Division
7444 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Printed circuits.

Methode Electronics. Inc. East
Printed Circuit Division
One Industrial Park, Box M
Willingboro, New Jersey 08046
(609) 871-3500

Methode Electronics, Inc.-Rolling Meadows Division
1700 Hicks Road
Rolling Meadows, Illinois 60008
(312) 592-3500
Power/signal distribution systems, laminar bus bars, bac planes, voltage and ground plane distribution systems.

Connector Division
7447 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Connectors-card receptable, rack and panel, punched plat connector circuit, card panel assemblies and wire panels, ply duct conductor cables.

Graphic Research Inc.
9334 Mason Avenue
Chatsworth, California 91311
(213) 886-7340
Printed circuits.

Technical Components Company
6633 W. 99th Street
Chicago, Illinois 60415
(312) 735-7363
High voltage leads and harnesses, jacks, and jack pan assemblies.

Carthage Precision Electric Co.
111 Buchanan Street
Carthage, Illinois 62221
(217) 357-3941
Special switches.

Trace Instruments Division
P.W.R., Inc.
9020 Eton Avenue
Canoga Park, California 91304
(213) 341-5593
Electronic testing equipment.

Transfer Agent(s):

Continental Illinois National Bank and
Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: METH (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 44,665,909	$ 848,618
1980	44,290,168	996,789
1979	39,103,469	1,323,078
1978	34,740,502	973,889
1977	27,527,968	414,213

	No. of Com. Shares	Earn. per Share
1981	855,000	$ 0.97
1980	855,000	1.14
1979	855,000	1.52
1978	855,000	1.12
1977	855,000	0.46

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.40	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 9,695,974	$ 11.34
1980	9,089,356	10.63
1979	8,334,567	9.75
1978	7,253,489	8.48
1977	6,521,600	7.63

‡ After allowing for preferred stock at par value of $100 per share.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 44,665,909	$ 44,290,168
Other income	231,610	139,350
Total Income	$ 44,897,519	$ 44,429,518
Cost of sales	35,929,550	35,133,989
Expenses	6,849,156	6,492,700
Interest expense	620,195	611,040
Prov. for disc. oper.	—	720,000
Income before taxes	$ 1,498,618	$ 1,471,789
Income taxes	650,000	475,000
Net Income	$ 848,618	$ 996,789

* Included in Costs and Expenses, Depreciation and Amortization: $1,301,719 in 1981 and $1,228,084 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 1,797,952	$ 545,439
Accts. receiv., net	6,371,885	6,244,895
*Inventories	5,158,416	6,664,626
Prepaid expenses	170,461	120,895
Current Assets	$ 13,498,714	$ 13,575,855
#Fixed assets	8,671,451	8,388,946
Other assets	144,521	135,307
Total Assets	$ 22,314,686	$ 22,100,108

Liabilities

	1981	1980
Long-term debt, curr.	$ 55,129	$ 51,225
Accts. payable	3,096,633	4,039,944
Accruals	923,681	715,324
Accrued payroll	866,387	757,793
Income taxes	83,719	40,904
Curr. Liabilities	$ 5,025,549	$ 5,605,190
Long-term debt:		
Bank note	5,000,000	5,000,000
Mortgage	838,527	779,350
Equip. contract	370,000	385,000
Deferred inc. taxes	505,000	491,000
Def. compensation	379,636	250,212
+ Preferred stock	500,000	500,000
+ + Common Stock	861,100	861,000
Add. paid-in capital	914,449	914,449
Retained earnings	7,964,631	7,358,013
Treasury stock	(44,206)	(44,206)
Total Liabilities & Shareholders' Equity	$ 22,314,686	$ 22,100,108

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value, Series A, 4% cumulative convertible.
+ + $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.36	3.32
% Net Income to Sales	1.90	2.25
% Net Income to Equity	8.75	10.39
Sales to Inventories	8.66	6.65
Working Capital	$ 8,473,165	$ 7,970,665
Current Ratio	2.69	2.42
Shareholders' Equity	$10,195,974	$ 9,589,356

Metra Electronics Corporation

660 McDonald Avenue
Brooklyn, New York 11218
(212) 871-4100

Officers: Michael M. Somma, president; Gasper Cafiero, secretary & treasurer; William H. Jones, v.p.-sales; Nina Proko, asst. secretary.

Directors: Michael M. Somma, Gasper Cafiero, Joseph P. Conte.

Areas of Work: Develops, manufactures and markets custom automotive sound installation kits, in-dash stereo tape player kits, solid state relays, power supplies and automobile burglar alarm systems.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Plant Footage:

1981	62,500 sq. ft.	1979	32,500
1980	62,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,522,872	$ (92,291)
1980	4,696,510	(89,422)
1979	6,638,550	400,395
1978	7,731,051	610,764
1977	7,219,066	524,793

	No. of Com. Shares +	Earn. per Share †
1981	574,418	$ —
1980	574,418	—
1979	574,418	0.70
1978	574,418	1.06
1977	574,418	0.91

(Loss)
+ Adjusted to reflect stock dividend.
† Based on the number of shares outstanding during each period, adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	0.15	—	—
1978	0.15	—	—
1977	0.15	100%	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,673,157	$ 4.65
1980	2,763,656	4.81
1979	2,854,828	4.97
1978	2,540,596	4.42
1977	2,022,991	3.52

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended March 31	1981	1980
Net sales	$ 3,522,872	$ 4,696,510
Other income	73,832	57,576
Total income	$ 3,596,704	$ 4,754,086
Cost of sales	2,657,433	3,719,224
Depreciation and amortization	117,628	148,418
Expenses	872,103	964,478
Prov. for emp. benefits	110,000	105,000
Loss before taxes	$ (160,460)	$ (183,034)
Tax credit	(68,169)	(93,612)
Net Loss	$ (92,291)	$ (89,422)

Assets

As of March 31	1981	1980
Cash	$ 1,008,512	$ 687,181
Accts. receiv., net	601,008	690,920
*Inventories	555,482	713,711
Prepaid expenses	36,207	30,797
Prepaid corporate taxes	73,869	305,000
Current Assets	$ 2,275,078	$ 2,427,609
#Fixed assets	1,476,759	1,548,133
Other assets	17,901	2,479
Total Assets	$ 3,769,738	$ 3,978,221

Liabilities

	1981	1980
Accts. payable	$ 136,411	$ 215,837
Notes & bonds payable	75,008	72,149
Accruals	127,854	128,263
Pension liability	56,000	62,000
Deferred compensation	160,000	120,000
Curr. Liabilities	$ 555,273	$ 598,249
Long-term debt	541,308	616,316
+Common stock	11,488	11,488
Add. paid-in capital	322,084	322,084
Retained earnings	2,350,210	2,431,834
Treasury stock	(10,625)	(1,750)
Total Liabilities & Shareholders' Equity	$ 3,769,738	$ 3,978,221

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02 par value.

Statistical Summary

	1981	1980
Sales to Inventories	6.34	6.58
Working Capital	$1,719,805	$1,829,360
Current Ratio	4.10	4.06
Shareholders' Equity	$2,673,157	$2,763,656

Metro Tel Corp.

15 Burke Lane
Syosset, New York 11791
(516) 364-3377

Officers: Venerando J. Indelicato, president and treasurer; Sheppard Beidler, secretary.

Directors: Sheppard Beidler, Venerando Indelicato, John Van Derwerken, Lloyd Frank, Michael Michaelson.

Areas of Work: Engaged in the manufacture of telephone test and maintenance equipment, telephone subscriber equipment, telephone power supplies and coupling units and chemically-heated soldering irons.

Subsidiaries:

Kenmode Mfg. Co., Inc.
15 Burke Lane
Syosset, New York 11791

Transfer Agent(s):

Registrar & Transfer Co.
34 Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTRO (NASDAQ)

Number of Employees:

1981	55	1978	33
1980	55	1977	19
1979	33		

Plant Footage:

1981	23,000 sq. ft.	1978	13,500
1980	23,000	1977	13,500
1979	13,500		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 3,084,326	$ 209,556
1980	2,949,001	237,178
1979	2,421,094	192,986
1978	1,544,894	150,865
1977	885,209	111,125

	No. of Com. Shares	Earn. per Share †#
1981	1,324,033	$ 0.16
1980	1,319,033	0.18
1979	1,319,033	0.15
1978	1,319,033	0.11
1977	1,248,450	0.09

† Including extraordinary gains of $33,956 ($0.03 per share) in 1980, $40,237 ($0.03 per share) in 1978 and $39,840 ($0.03 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,150,311	$ 0.87
1980	971,231	0.74
1979	760,434	0.58
1978	567,448	0.43
1977	416,583	0.33

Income Account *

Year ended June 30	1981	1980
Net sales	$ 3,084,326	$ 2,949,001
Cost of sales	2,100,785	2,109,900
Expenses	610,037	479,578
Income before taxes	$ 373,504	$ 359,523
Income taxes	163,948	156,301
Net Income	$ 209,556	$ 203,222
Extraord. gain	—	33,956
Net Income & extraord. gain	$ 209,556	$ 237,178

* Included in Cost and Expenses, Depreciation and Amortization: $35,070 in 1981 and $24,637 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 45,667	$ 49,999
Accts. receiv., net	354,675	645,527
*Inventories	1,108,313	886,679
Prepaid expenses	50,098	21,887
Current Assets	$ 1,558,753	$ 1,604,092
#Fixed assets	125,715	110,206
Other assets	346,405	347,939
Total Assets	$ 2,030,873	$ 2,062,237

Liabilities

	1981	1980
Notes payable	$ 115,882	$ 212,500
Accts. payable	245,172	371,633
Accruals	85,611	141,778
Income taxes	6,672	20,849
Curr. Liabilities	$ 453,337	$ 746,760
Long-term debt	427,225	344,246
+Common stock	33,101	32,976
Add. paid-in capital	707,980	705,605
Retained earnings	409,230	232,650
Total Liabilities & Shareholders' Equity	$ 2,030,873	$ 2,062,237

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	12.11	12.19
%Net Income to Sales	6.79	8.04
%Net Income to Equity	18.22	24.42
Sales to Inventories	2.78	3.33
Working Capital	$1,105,416	$857,332
Current Ratio	3.44	2.15
Shareholders' Equity	$1,150,311	$971,231

Micro Mask, Inc.

695 Vaqueros Avenue
Sunnyvale, California 94086
(408) 245-7342

Officers: Joseph C. Ross, Jr., chairman of the board & president; James P. Burgess, exec. v.p.; Robert E. Whiteside, sr. v.p. & gen. mgr., Micro Mask/Division; Johnny H. Ashcraft, v.p., controller & treasurer; Donald J. Holthaus, v.p. & asst. secretary; Victor A. Hebert, secretary.

Directors: Joseph C. Ross, Jr., chairman; Robert E. Whiteside, Richard A. Campbell, Joseph Chulick, Jr., Noel J. Fenton, Gordon E. Moore, Isaac Stein.

Areas of Work: Manufacturer of photomasks and hard surface photoplates required in the design, engineering and production of integrated circuits and semiconductors. Also produces a broad line of custom designed, wire-wound magnetic components for the electronics industry.

Divisions and Subsidiaries:

Micro Mask Division
Sunnyvale, California

Supplier of photomasks for the semiconductor and integrated circuit markets.

EMC Division
Azusa, California

Supplier of hard surface glass photoplates, required for manufacturing hard surface photomasks, used in the production of integrated circuits.

Tranex Division
Mountain View, Angel's Camp, California
and Colorado Springs, Colorado

Manufactures custom designed products such as transformers, chokes, filters, coils and reactors for various electronic applications. The components are used in test instruments, medical instrumentation, data processing and telecommunications equipment, lasers, computers and terminals.

Transfer Agent(s):

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, California 94104

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCRO (NASDAQ)

Micro Mask, Inc.

Number of Employees:

1981 440

Plant Footage:

1981 . . . . . . 150,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 21,859,000	$ 1,389,000
1980	22,531,000	1,816,000
1979	18,832,000	1,680,000
1978	15,169,000	1,465,000
1977	10,899,000	563,000

	No. of Com. Shares #	Earn. per Share #
1981	1,693,165	$ 0.82
1980	1,660,128	1.09
1979	1,684,083	1.00
1978	1,626,522	0.90
1977	1,551,047	0.36

Based on the weighted average number of common shares and, when material, common share equivalents outstanding during the period adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Integrated circuit prods.	$ 15,465,000	$ 16,615,000
Electronic components	6,394,000	5,916,000
Total	$ 21,859,000	$ 22,531,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2
1980	—	—	—
1979	—	—	5- for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 11,340,000	$ 6.65
1980	9,632,000	5.77
1979	7,654,000	4.67
1978	5,833,000	3.69

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	9/27/81	9/28/80
Net sales .	$ 21,859	$ 22,531
Cost of sales	15,996	16,100
Expenses	3,686	2,859
Interest expense	239	245
Income before taxes	$ 1,938	$ 3,327
Income taxes	549	1,511
Net Income	$ 1,389	$ 1,816

* Included in Costs and Expenses, Depreciation and Amortization: $1,435,000 in 1981 and $1,191,000 in 1980.

Assets
(000's)

As of	9/27/81	9/28/80
Cash	$ 169	$ 138
Accts. receiv., net	3,760	4,076
*Inventories	2,423	2,378
Prepaid expenses	104	112
Refund. inc. taxes	408	—
Current Assets	$ 6,864	$ 6,704
#Fixed assets	10,806	7,928
Deposits & other assets	752	236
Total Assets	$ 18,422	$ 14,868

Liabilities
(000's)

Notes payable	$ —	$ 250
Long-term debt, curr.	898	543
Accts. payable	1,404	1,051
Accrued payroll	515	565
Other curr. liab.	252	143
Income taxes	—	312
Curr. Liabilities	$ 3,069	$ 2,864
Long-term debt	3,454	2,236
Deferred inc. taxes	559	136
+Common stock	1,706	1,113
Add. paid-in capital	796	1,070
Retained earnings	8,838	7,449
Total Liabilities & Shareholders' Equity	$ 18,422	$ 14,868

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.87	14.77
%Net Income to Sales	6.35	8.06
%Net Income to Equity	12.25	18.85
Sales to Inventories	9.02	9.47
Working Capital	$ 3,795,000	$3,840,000
Current Ratio	2.24	2.34
Shareholders' Equity	$11,340,000	$9,632,000

Microdyne Corporation

Box 7213
491 Oak Road
Silver Springs Industrial Park
Ocala, Florida 32672
(904) 687-4633

Officers: Louis H. Wolcott, chairman of the board, president & chief executive officer; Donald L. Feller, exec. v.p. & secretary; Michael S. Balbes, Hank S. Lin, v.p.'s; Eugene R. Day, treasurer & asst. secretary; R.B. Elsea, v.p.-marketing; Jerry Bohus, controller; David L. Alvarez, director-marketing.

Directors: Louis H. Wolcott, chairman; Donald L. Feller, Vincent M. Noonan, Michael S. Balbes, Hank S. Lin, Carl H. Cahill.

Areas of Work: Electronic hardware manufacturer specializing in sophisticated radio receivers and related test equipment. These products are used in satellite communications (data, TV and weather), electronic surveillance systems, specialized ground communications, and in the testing of airplanes, guided missiles, and automobiles.

Divisions:

Telemetry Division
P.O. Box 1527
627 Lofstrand Lane
Rockville, Maryland 20850
(301) 762-8500

Satellite TV
P.O. Box 7213
491 Oak Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4633

Antennas for Communications
486 Cypress Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4121

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCDY (NASDAQ)

Number of Employees:

1981	550	1978	185
1980	500	1977	135
1979	185		

Plant Footage:

1981	150,000 sq. ft.	1978	42,000
1980	82,000	1977	42,000
1979	42,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 29,019,263	$ 4,084,867
1980	23,714,720	3,204,934
1979	17,497,975	2,948,747
1978	9,309,107	1,497,800
1977	4,596,959	24,612

	No. of Com. Shares †	Earn. per Share ‡ +
1981	4,551,480	$ 0.93
1980	3,990,369	0.77
1979	3,939,915	0.79
1978	3,112,508	0.48

† Adjusted to reflect stock splits.
‡ Including extraordinary credits of $299,000 ($0.06 per share) in 1979, $276,000 ($0.09 per share) in 1978.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.060	—	—
1980	0.067	—	3-for-2
1979	0.053	—	5-for-4
1978	0.027	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 31,888,972	$ 7.01
1980	13,837,730	3.47
1979	10,721,236	2.72
1978	3,367,698	1.08

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	11/1/81	11/2/80
Net sales	$ 29,019,263	$ 23,714,720
Cost of sales	18,526,416	15,048,467
Expenses	3,466,077	2,809,068
Interest income	(1,027,983)	(37,036)
Income before taxes	$ 8,054,753	$ 5,894,221
Income taxes	3,969,886	2,689,287
Net Income	$ 4,084,867	$ 3,204,934

* Included in Costs and Expenses, Depreciation: $575,680 in 1981 and $452,729 in 1980.

Assets

As of	11/1/81	11/2/80
Cash	$ 12,140,976	$ 1,293,657
Preferred stock	324,500	—
Accts. receiv., net	8,201,732	5,358,285
*Inventories	9,268,539	6,438,444
Prepaid expenses	139,475	153,641
Deferred inc. taxes	60,252	26,952
Current Assets	$ 30,135,474	$ 13,270,979
#Fixed assets	4,613,851	4,027,641
Other assets	767,128	108,488
Total assets	$ 35,516,453	$ 17,407,108

Liabilities

Notes payable	$ 66,868	$ 146,515
Cap. lease oblig., curr.	9,913	20,056
Accts. payable	1,142,140	1,031,764
Accruals	685,035	702,258
Dividends payable	136,545	—
Income taxes	779,376	669,865
Curr. Liabilities	$ 2,819,877	$ 2,570,458
Long-term debt	807,604	998,920
+Common stock	455,148	399,037
Add. paid-in capital	21,296,638	7,128,625
Retained earnings	10,137,186	6,310,068
Total Liabilities & Shareholders' Equity	$ 35,516,453	$ 17,407,108

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	27.76	24.85
%Net Income to Sales	14.08	13.51
%Net Income to Equity	12.81	23.16
Sales to Inventories	3.13	3.68
Working Capital	$27,315,597	$10,700,521
Current Ratio	10.69	5.16
Shareholders' Equity	$31,888,972	$13,837,730

Micropac Industries, Inc.

905 East Walnut Street
Garland, Texas 75040
(214) 272-3571

Officers: Nicholas Nadolsky, chairman of the board & president; Richard T. Schlueter, v.p.-corp. administration & business development; John R. Michener, v.p.-operations; James K. Murphey, secretary; Connie Wood, assistant secretary.

Directors: Luther B. Nicholson, Nicholas Nadolsky, James K. Murphey.

Areas of Work: Engaged in the design, development, manufacture, and sale of hybrid microcircuits and optoelectronic components, assemblies and microcircuits. The technologies employed by Micropac in the production of hybrid microcircuits include thick film, thin film, solder assembly, chip and wire assembly, custom and standard. The principal markets for the products and services of Micropac are among manufacturers of both analog and digital circuits in military and industrial computers, communications equipment, electronic instrumentation and control equipment and other systems requiring microminiature electronic circuits.

Divisions:

Hybrid Circuits Division
Designs, develops and manufactures custom digital, analog and RF hybrid microcircuits incorporating both thick and thin film hybrid technologies.

Power Products Division
Designs, develops and manufactures both standard and custom hybrid power functions incorporating thick and thin film hybrid technologies.

Optoelectronics Division
Designs, develops and manufactures both standard and custom optoelectronic components, assemblies and optoelectronic/hybrid microcircuits incorporating both thick and thin film hybrid technologies.

Subsidiary:

Micropac GmbH
Bremen, Germany

Transfer Agent(s):

National Bank of Commerce
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 6,546,606	$ 441,830
1980	7,319,961	624,205
1979	6,218,918	646,942
1978	3,742,608	149,234
1977	4,625,349	(167,000)

	No. of Com. Shares	Earn. per Share #‡
1981	5,644,420	$ 0.08
1980	5,544,420	0.11
1979	5,544,420	0.12
1978	5,494,420	0.03
1977	5,494,420	—

(Loss)
‡ Including extraordinary credits $268,161 ($0.05 per share) in 1979 and $178,738 ($0.03 per share) in 1978.
# Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,000,132	$ 0.53
1980	2,523,302	0.46
1979	1,899,097	0.34
1978	1,239,655	0.23
1977	1,090,421	0.20

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 6,546,606	$ 7,319,961
Cost of sales	4,851,095	5,460,354
Expenses	934,143	820,177
Interest expense	70,791	65,814
Income bef. Taxes	$ 690,577	$ 973,616
Income taxes	248,098	323,669
Income taxes deferred	649	25,742
Net Income	$ 441,830	$ 624,205

* Included in Costs and Expenses, Depreciation: $279,961 in 1981 and $253,983 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 150,000	$ 482,500
Accts. receiv., net	1,483,834	1,334,036
*Inventories	1,494,171	1,402,390
Prepaid expenses	77,319	63,528
Current Assets	$ 3,205,324	$ 3,282,454
#Fixed assets	636,274	758,858
Total Assets	$ 3,841,596	$ 4,041,312

Liabilities

Notes payable	$ 40,750	$ 27,781
Long-term debt	93,910	80,109
Accts. payable & accruals	488,040	718,429
Progress billings	8,827	7,750
Income taxes payable	—	323,669
Curr. Liabilities	$ 631,527	$ 1,157,738
Long-term debt	90,504	184,414
Deferred income taxes	23,908	25,742
Deferred income	95,527	150,116
+Common stock	565,212	555,212
Add. paid-in capital	1,380,335	1,355,335
Retained earnings (deficit)	1,066,035	624,205
Treasury stock	(11,450)	(11,450)
Total Liabilities & Shareholders' Equity	$ 3,841,598	$ 4,041,312

* At cost. Gold inventories stated at LIFO; all others at FIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.55	13.30
%Net Income to Sales	6.75	8.53
%Net Income to Equity	14.73	24.74
Sales to Inventories	4.38	5.22
Working Capital	$2,573,797	$2,083,369
Current Ratio	5.08	2.80
Shareholders' Equity	$3,000,132	$2,523,302

Microsemiconductor Corporation

2830 South Fairview Street
Santa Ana, California 92704
(714) 979-8220

Officers: Richard L. Geiger, chairman of the board & treasurer; Philip Frey, Jr., president; Jiri Sandera, v.p.-engineering & secretary; Richard R. Sandburg, v.p.-finance; Jay Shem, asst. secretary.

Directors: Richard L. Geiger, chairman; Philip Frey, Jr., Lester Kilpatrick, Jiri Sandera, Fred Burns.

Areas of Work: Engaged in the production of diodes, rectifiers and other semiconductor products.

Subsidiary:

Microsemiconductor Ltd.
Hong Kong
Manufacturer of semiconductor products.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	258	1979	80
1980	210		

Plant Footage:

1981	53,000 sq. ft.	1979	23,000
1980	43,000		

Sales and Earnings

	Net Sales	Net Income +
1981	$ 7,911,143	$ 434,022
1980	6,740,661	402,465
1979	5,048,667	560,893
1978	3,402,749	247,713
1977*	2,682,158	162,862

	No. of Com. Shares ‡	Earn. per Share ‡+
1981	3,463,905	$ 0.13
1980	3,405,536	0.12
1979	3,331,295	0.17
1978	3,388,372	0.08
1977	3,651,794	0.05

*53 weeks.
+ Including extraordinary gains of $24,960 ($0.007 per share) in 1978 and $66,983 ($0.018 per share) in 1977.
‡Based on the weighted average number of Class A and Class B common shares outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1981	$ 2,611,332	$ 0.75
1980	2,172,188	0.64
1979	1,789,384	0.54
1978	1,248,160	0.37
1977	1,035,970	0.28

‡After allowing for preferred stock at par value.
+ Based on the weighted average number of Class A and Class B common shares outstanding.

Microsemiconductor Corporation

Income Account *

Year ended	9/27/81	9/28/80
Net sales	$ 7,911,143	$ 6,740,661
Cost of sales	5,756,015	5,154,109
Expenses	1,245,022	1,052,301
Gain on sale	(110,621)	(358,856)
Interest expense	314,280	267,823
Other expense (income)	(50,075)	23,500
Income before taxes	$ 756,522	$ 601,784
Income taxes	322,500	199,319
Net Income	$ 434,022	$ 402,465

*Included in Costs and Expenses, Depreciation and Amortization: $231,016 in 1981 and $220,374 in 1980.

Assets

As of	9/27/81	9/28/80
Cash	$ 50,345	$ 40,553
Accts. receiv., net	1,594,375	1,311,400
*Inventories	2,999,693	2,388,056
Prepaid expenses	108,700	100,391
Current Assets	$ 4,753,113	$ 3,840,400
#Fixed assets	757,509	883,865
Other assets	519,920	239,713
Intangibles	4,500	7,333
Total Assets	$ 6,035,042	$ 4,971,311

Liabilities

Notes payable	$ 520,000	$ 608,850
Long-term debt, curr.	495,700	182,500
Accts. payable & accruals	941,395	859,580
Income taxes	100,800	65,323
Dividends payable	4,556	4,916
Curr. Liabilities	$ 2,062,451	$ 1,721,169
Long-term debt	1,085,247	807,103
Deferred inc. taxes	22,088	—
+Preferred stock	253,924	270,851
Common Stock + +Class A	622,485	612,272
Add. paid-in capital	1,698,341	1,684,127
Retained earnings (deficit)	306,364	(108,353)
Treasury stock	(15,858)	(15,858)
Total Liabilities & Shareholders' Equity	$ 6,035,042	$ 4,971,311

* At lower of Cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
+ + $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.56	8.93
%Net Income to Sales	5.49	5.97
%Net Income to Equity	15.15	16.47
Sales to Inventories	2.64	2.82
Working Capital	$2,690,662	$2,119,231
Current Ratio	2.30	2.23
Shareholders' Equity	$2,865,256	$2,443,039

Microwave/Systems, Inc.

1 Adler Drive
East Syracuse, New York 13057
(315) 437-9951

Officers: Robert J. Harris, chairman of the board & secretary; Brantley Deaton, president & chief executive officer.

Directors: Robert J. Harris, chairman, H. Kaye Karr, David B. Weatherup, Robert Shields, Brantley Deaton.

Divisions:

Microwave Division
1 Adler Drive
East Syracuse, New York 13057
(315) 437-9951
Microwave test equipment, oscillator stabilizers.

Transfer Agent(s):

Microwave/Systems, Inc.
1 Adler Drive
East Syracuse, New York 13057

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980 12

Plant Footage:

1980	16,800 sq. ft.	1977	16,800
1979	16,800	1976	16,800
1978	16,800		

Sales and Earnings

	Net Sales	Net Income
1980	$ 281,741	$ 23.527
1979†	251,637	(25,960)
1978 + ...	299,373	(8,755)
1977	n.a.	n.a.
1976	633,611	(51,112)‡

	No. of Com. Shares	Earn. per Share
1980	500,190	$0.05
1979†	410,870	—
1978 + ...	320,873	—
1977	n.a.	n.a.
1976	284,986	—

(Loss)
n.a. not available.
‡ Including cumulative effect of accounting change of $19,745.
† Restated.
+ Unaudited.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 108,395	$0.22
1979†	73,429	0.18
1978	70,287	0.22
1977	n.a.	n.a.
1976	182,704	0.64

† Restated.

Income Account

Year ended June 30	1980	1979 †
Net sales	$ 281,741	$ 251,637
Cost of sales	139,999	131,352
Expenses	104,405	123,881
Depreciation	7,136	8,341
Interest expense	1,283	5,382
Taxes	9,489	10,729
Other income	(4,098)	(2,088)
Net Income (Loss)	$ 23,527	$ (25,960)

† Restated.

Assets

As of June 30	1980	1979†
Cash	$ 14,066	$ 6,704
Receiv., net	68,710	47,129
* Inventories	63,240	67,132
Current Assets	$ 146,016	$ 120,965
# Fixed assets	25,412	32,548
Patents	4	4
Total Assets	$ 171,432	$ 153,517

Liabilities

Notes payable	$ 18,174	$ 35,334
Accts. payable	28,134	18,586
Pay. to stockholders	5,000	10,000
Accruals	11,729	16,168
Curr. Liabilities	$ 63,037	$ 80,088
+ Common stock	50,644	41,712
Prem. on cap. stock	342,957	337,059
Add. paid-in capital	10,855	10,855
Deficit	(295,436)	(315,572)
Treasury stock	(625)	(625)
Total Liabilities & Shareholders' Equity	$ 171,432	$ 153,517

† Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Sales	8.35	—
%Net Income to Equity	21.70	—
Sales to Inventories	4.46	3.75
Working Capital	$ 82,979	$ 40,877
Current Ratio	2.32	1.51
Shareholders' Equity	$ 108,395	$ 73,429

Midland-Ross Corporation

20600 Chagrin Boulevard
Cleveland, Ohio 44122
(216) 491-8400

Officers: Harry J. Bolwell, chairman of the board & chief exec. officer; Edward C. Gendron, president & chief operating officer; Daniel W. Duval, group v.p.-Aerospace & Electrical Group; George A. Hommel group v.p.-Castings Group; Frank N. Linsalata, group v.p.-worldwide thermal systems operations; G. Leo Winger, group v.p.- Metal Products Group; John J. Fennessey, Jr., Bryan R. Roub, senior v.p.'s; Bruce L. Engle, v.p.-personnel relations; Frank N. Fittipaldi, v.p. general counsel & secretary; Jerome C. Isham, v.p.-public relations; Donald F. Kimmel, v.p.-international; David S. Wasserman, v.p.-taxation; James D. Jung, treasurer; Judson E. Smith, controller.

Directors: Claude M.Blair, Harry J. Bolwell*, Edward C. Gendron*, Niles H. Hammink, Charles E. Hugel*, Herbert A. Spring, Jr.*, G.J. Tankersley, C.C. Tippit, Alton W. Whitehouse, Jr.*, John J. Byrne, Jr.

*Member of Executive Committee.

Areas of Work: Engaged in the manufacture of a wide range of thermal systems for the steel, metalworking, paper and other industries; foundry products for the railroad, mining and other industries; electrical products for the building construction and material handling markets; and mechanical controls for the automotive and aerospace markets.

Divisions and Subsidiaries:

Thermal Systems Group

Cameron-Waldron Hartig
Somerset, N.J.
Slitters, winders and coaters for paper and plastics; printing systems for books and corrugated containers; plastics extrusion, reclaim and blow-molding systems.

Robotron Division
Detroit, Mich.; Windsor, Ont.
Industrial electronic controls, including resistance welding controls, industrial power electronics and microcomputer-based industrial control systems.

Electro-Nite Co.
Philadelphia, Pa.
Expendable sensors and related instruments for metals producers; carbon graphite products, principally a wide range of fabricated shapes used in the petroleum, chemical, aerospace, construction and other industries.

Stein Heurtey
Bar-le-Duc and Lautenbach, France; Wombourne, England; Melbourne, Australia

Furnaces, heaters and heat transfer equipment for the oil and chemical industries; melting, reheating, heat transfer and coating furnaces for steel mills and ferrous and nonferrous industries; special vacuum and atmosphere treatment furnaces; glass furnaces and lehrs; gas generators; industrial drying and metal finishing plants; industrial burners; combustion and waste treatment equipment.

PC Inc.
New York, N.Y.

Large refinery heaters and waste heat boilers for the petroleum and petrochemical industries; general application process heaters for oil and chemical plants; industrial dryers; parts washer and paint finishing systems.

Ross Air Systems Division
LaSalle, Que., Highland Park, N.J.; Caseville, Mich.; Valinhos, Brazil.

Engineered ovens, drying equipment and air processing systems for pulp, paper, film, chemicals, food, metals and other products; Kathabar air conditioning, dehumidification and decontamination systems; energy recovery equipment; magnet wire equipment and parts washer systems.

Surface Division
Toledo, Ohio; Oak Park, Michigan; Toronto, Ont.; Naucalpan, Mexico.

Thermal and thermal chemical systems, including heat recovery and conservation equipment; incinerators; thermal environmental equipment; fuel-fired and electric furnaces and induction heating equipment for ferrous, nonferrous and steel industries; glass and ceramic lehrs.

Aerospace and Electrical Group

Electrical Products Division
Pittsburgh & Fallsington, Pa.; Athens, Tn.

Construction materials; metal framing systems for supporting caduit, cable, lighting and equipment, including two-piece duct systems for the utility and communications markets; switch, outlet and floor boxes; conduit and cable fittings; hangers and supports. Industrial equipment; safety interlock receptacles, plugs and connectors; explosion-proof, vaportight and high intensity discharge lighting fixtures; electrical control devices; marine plugs, receptacles, lighting and conrols; trolley power distribution systems, custom-molded thermoplastic and thermoset electrical and mechanical components.

Midtex Division
North Mankato, Mn.; Watertown, Brookings & Huron, S.D.; Seoul, Korea

Miniature, power, solid state, general purpose, mercury-wetted, industrial and time delay relays for industrial controls, business machines, data processing and communications equipment, commercial electronics and energy management; Microinterface modules for microprocessor systems; transformers and couplers for telecommunications.

Russellstall Division
Livingston & Fairfield, N.J.

Safety interlock receptacles, plugs and connectors; explosion-proof, vaportight, and high intensity discharge lighting fixtures; electrical control devices; marine plugs, receptacles, lighting and conrols; trolley power distribution systems.

Metal Framing Division
Oakland, Calif.; Goshen, Ind.; Reno, Nev.

Roll-formed framing channel and fitting components for support and suspension of electrical systems in power generating stations; seismic bracing; hanger systems for electrical, mechanial, refrigeration and industrial construction.

Grimes Division
Urbana, Ohio

Special electronic and mechanical lighting systems and controls and galley products for the aerospace and other segments of the transportation industry; flasher and timing devices; caution and warning systems; power supplies; cockpit indicators; coffee makers and warmers.

Janitrol Aero Division
Columbus, Ohio

Aircraft cabin heating, air conditioning and pressurization systems; fuel filters; fans and blowers; heat transfer equipment; electronic cooling equipment hydraulic, fuel and pneumatic valves; motor-operated valves; thermostatic controls and pressure valves; duct joints and supports; swivel extension joints; aircraft heaters; liquid heaters.

Metal Products Group

Bay City Foundry Division
Bay City, Michigan

Medium to large-size carbon, low alloy, wear-resistant and stainless steel castings and grey, alloy and ductile iron for the automotive industry, steel mills and general industrial use; base and surface plates for dynamometer and stress testing, machine tooling and precision checking.

Nelson Metal Products Division
Grandville & Grand Rapids, Michigan

Zinc and aluminum die castings for the automotive, plumbing, furniture, appliance and communications industries.

Unitcast Division
Sherbrooke, Que.

Carbon and low alloy steel castings for valves and piping, automotive trucks and trailers, railroad, construction, mining and agricultural equipment and the lumber and capital goods industries.

Castings Group

Midland Brake Division
Owosso, Mich.

Brake actuation equipment systems for passengers cars, trucks trailers and industrial equipment; door controls for buses; zinc and aluminum die casting and assemblies; air horns, wear-resistant and stainless steel castings and grey, alloy and ductile iron castings for the automotive industry, steel mills and general industrial use; base and surface plates for dynamometer and stress testing, machine tooling and precision checking.

Capitol Castings Division
Tempe & Chandler, Arizona

Naco cast alloy steel grinding balls; iron and steel casting for weal-resistant and structural applications.

National Castings Division
Sharon, Pa.; Toledo, Ohio; Cicero and Melrose Park, Illinois.

Couplers, draft gears, freight car trucks, yokes, hopper door frames and rubber cushioning devices for railroad, mine and industrial haulage systems; alloy and carbon steel castings for earthmoving equipment, trucks, power shovels and other applications.

Transfer Agent(s):
National City Bank
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: MLR

Sales and Earnings

	Net Sales	Net Income
1981	$ 907,220,000	$ 24,691,000
1980	908,437,000	43,812,000
1979	800,811,003	41,028,000
1978	578,711,000	30,970,000
1977	471,241,000	25,006,000

‡ Based on the average number of common shares outstanding.

Revenues By Line of Business

	1981	1980
Foundry prods.	$ 193,543,000	$ 231,066,000
Thermal systems	378,322,000	375,156,000
Mechanical controls	197,809,000	167,530,000
Electrical prods.	137,546,000	134,685,000
Total	$ 907,220,000	$ 908,437,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.375	—	—
1979	1.20	—	—
1978	1.0125	—	2-for-1
1977	0.85	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 290,631,000	$ 23.81
1980	276,861,000	23.38
1979	247,479,000	21.11
1978	215,463,000	18.83
1977	189,644,000	17.29

‡ After allowing for preferred stock at liquidation value.

Income Account
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 907,220	$ 908,437
Other income	18,473	20,503
Total Income	$ 925,693	$ 928,940
Cost of sales	687,184	671,187
Expenses	154,039	143,300
Depreciation & amortization	27,572	23,898
Interest expense	17,057	13,750
Minority interest	820	1,563
Income before taxes	$ 39,021	$ 75,242
Income taxes	14,330	31,430
Net Income	$ 24,691	$ 43,812

Assets
(000's)

As of Dec. 31	1981	1980
Cash & marketable secur.	$ 29,624	$ 35,006
Accts. receiv., net	160,223	162,745
* Inventories	175,929	175,998
Contracts in process	34,144	40,015
Prepaid expenses	6,513	6,173
Current Assets	$ 406,433	$ 419,937
Investments & other assets	60,345	65,792
# Fixed assets	202,114	194,649
Total Assets	$ 668,892	$ 680,378

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 7,777	$ 5,854
Accounts payable	91,250	119,989
Comm. paper	15,284	—
Adv. billings	33,273	41,817
Accruals	35,856	32,087
Income taxes	12,787	18,641
Other liab.	26,677	22,222
Curr. Liabilities	$ 222,904	$ 240,610
Long-term debt	102,619	106,554
Other liab.	19,456	23,871
Deferred inc. taxes	19,239	16,142
Minority interest	12,322	12,116
+ Preferred stock:		
Series A:	1,721	2,245
Series B	—	1,979
+ + Common stock	61,039	59,190
Add. paid-in capital	14,534	7,752
Retained earnings	215,058	209,919
Total Liabilities & Shareholders' Equity	$ 668,892	$ 680,378

* At lower of cost (LIFO, FIFO and average) or market.
# Less accumulated depreciation.
+ No par value.
+ + $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.30	8.28
%Net Income to Sales	2.72	4.82
%Net Income to Equity	8.45	15.59
Sales to Inventories	5.16	5.16
Working Capital	$183,529,000	$179,327,000
Current Ratio	1.82	1.75
Shareholders' Equity	$292,352,000	$281,085,000

Milgray Electronics, Inc.

191 Hanse Avenue
Freeport, New York 11520
(516) 546-5600

Officers: Herbert S. Davidson, president; Martin Hyman, exec. v.p.; Bruce Berger, Richard Hyman, vice presidents; Herschel M. Weinberg, secretary; Robert Davidoff, treasurer.

Directors: Herbert S. Davidson, Robert Davidoff, Martin Hyman, Herschel M. Weinberg.

Areas of Work: Engaged in the distribution of electronic components and equipment. Operates a lab for special testing of components.

Subsidiaries:

Milgray/Cleveland, Inc.
6155 Rockside Road
Cleveland, Ohio 44131
(216) 447-1520

Milgray/Florida, Inc.
1850 Lee Road, Suite 104
Winter Park, Florida 32789
(305) 647-5747

Milgray/International, Inc.
191 Hanse Avenue
Freeport, New York 11520
(516) 546-5600

Avenue Winston Churchill, 11
BTE, 28
1180 Brussels, Belgium

5 Bartholomews
Brighton BN1 IHG Sussex, England

Burgstrasse 20
7340 Geislingen Steige
West Germany

Milgray/Delaware Valley
3002 Greentree Executive Campus
Marlton, New Jersey 08053
(609) 983-5010

Milgray/Atlanta
17 Dunwoody Park, Suite 102
Atlanta, Georgia 30338
(404) 393-9666

Milgray/Kansas City, Inc.
6901 West 63rd Street
Overland Park, Kansas 66202
(913) 236-8800

Milgray/New York, Inc.
191 Hanse Avenue
Freeport, New York 11520
(516) 546-6000

Milgray/Washington, Inc.
11820 Parklawn Drive
Rockville, Maryland 20852
(301) 468-6400

Milgray, Ltd.
191 Hanse Avenue
Freeport, New York 11520
(516) 546-5600

Birnbach Co., Inc.
177 Hanse Avenue
Freeport, New York 11520 ,
(516) 223-8400

Milgray/Connecticut
378 Boston Post Road
Orange, Connecticut 06477
(203) 795-0711

Transfer Agent(s):

National Bank of North America
44 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 195

Plant Footage:

1981 . . . . 52,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 34,588,393	$ 473,070
1980	36,177,346	1,253,059
1979	27,799,853	697,218
1978	21,345,124	212,998
1977	18,252,300	107,170

	No. of Com. Shares	Earn. per Share ‡
1981	778,690	$ 0.61
1980	778,690	1.61
1979	778,690	0.89
1978	778,690	0.27
1977	778,690	0.14

‡ Including extraordinary credits of $144,264 ($0.19 per share) in 1980, $268,500 ($0.34 per share) in 1979, $40,800 ($0.05 per share) in 1978, and $33,100 ($0.04 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,332,479	$ 4.28
1980	2,859,409	3.67
1979	1,606,350	2.06
1978	909,132	1.17
1977	696,134	0.89

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 34,588,393	$ 36,177,346
Cost of sales	25,202,701	26,506,928
Expenses	8,041,690	7,004,589
Interest expense	685,469	621,267
Income before taxes	$ 658,533	$ 2,044,562
Income taxes	185,463	935,767
Net Income	$ 473,070	$ 1,108,795
Extraord. credit	—	144,264
Net Income & extraord. credit	$ 473,070	$ 1,253,059

Assets

As of Dec. 31	1981	1980
Cash	$ 78,313	$ 306,645
Accts. receiv., net	4,786,077	4,434,218
*Inventories	6,081,274	4,976,312
Prepaid expenses & sundry receiv.	193,104	65,430
Current Assets	$ 11,138,768	$ 9,782,605
# Fixed assets	723,222	389,961
Other assets	118,312	81,874
Total Assets	$ 11,980,302	$ 10,254,440

Liabilities

	1981	1980
Notes payable	$ 1,725,000	$ 3,359,346
Long-term debt, curr.	23,942	52,687
Accts. payable	3,768,847	2,939,046
Accruals & sundry liabilities	535,594	342,083
Accrued taxes	50,697	163,779
Income taxes pay.	—	468,496
Curr. Liabilities	$ 6,104,080	$ 7,325,437
Long-term debt	2,543,743	69,594
+ Common stock	200,003	200,003
Add. paid-in capital	26,675	26,675
Retained earnings	3,156,366	2,683,296
Treasury stock	(50,565)	(50,565)
Total Liabilities & Shareholders' Equity	$ 11,980,302	$ 10,254,440

* At lower of cost (FIFO) or market (replacement cost).
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.90	5.65
%Net Income to Sales	1.37	3.06
%Net Income to Equity	14.20	38.78
Sales to Inventories	5.69	7.27
Working Capital	$5,034,688	$2,457,168
Current Ratio	1.82	1.34
Shareholders' Equity	$3,332,479	$2,859,409

Milton Roy Company

Suite 900
One Plaza Place N.E.
P.O. Box 12169
St. Petersburg, Florida 33733
(813) 823-4444

Officers: James F. Healey, chairman of the board, president & chief executive officer; Joseph J. Deckert, v.p.-Group Exec.; H. Rodman Smith, v.p.-Group Exec.; Robert C. Cross, v.p.-industrial relations; Edgar A. Clingerman, v.p.-finance; C. Edward Liggans, v.p.-administration; John L. West, v.p.; William S. Ferguson, v.p.; John M. McNamara, secretary & treasurer, Eileen L. Cole, asst. sec.; J. Ronald Moore, controller.

Directors: Robert T. Sheen*, Earl J. Serfass, Dan L. McGurk, Edmund H. Damon, Raleigh W. Greene, James F. Healey*, John P. Horgan*, Philip A. Sprague*, John T. Subak*.

*Member of Executive Committee.

Divisions and Subsidiaries:

Laboratory Group
Automatic liquid chromatographic detectors, liquid chromatographic accessories, pollution detectors, servographic recorders, instrument miniPumps, elhygen hydrogen generators.

Laboratory Data Control Division
Riviera Beach, Florida
(305) 844-5241

Ichibishi Company, Ltd. (joint venture; 50% owned)
Tokyo, Japan

Laboratory Data Control (U.K.) Ltd.
England

Laboratory Data Control
Shannon, Ireland

Milton Roy (Deutschland) GmbH (100%)
Hassebroth, West Germany

Fluid Control Group
Controlled volume pumps; combustion control equipment; gas analysis instruments; water quality systems; engineered chemical feed systems; special purpose centrifugal pumps.

Hartell Division
Ivyland, Pennsylvania

Flow Control Division
Ivyland, Pennsylvania

Milton Roy Industries, Ltd.
Peterborough, Ontario, Canada

Dosapro-Milton Roy S.A. (joint venture; 50% owned)
Paris, France

Dosapro-Milton Roy S.A. (joint venture)
Mexico

Control Engineering (Australia)
Pty. Ltd. (joint venture; 50% owned)
East Melbourne, Australia

Minaka Instrument Co. Ltd. (7% owned)
(Hays Republic Instruments)
Tokyo, Japan

Energy & Envioronmental Group
Manufactures and markets combustion control and gas analysis instruments.

Hays-Republican Division
Michigan City, Indiana
(219) 872-5561

Control Engineering (Australia)
Pty. Ltd. (Australia joint adventure)
E. Melbourne, Australia

E. MelbuMitaka Instrument Co. Ltd.
(Japaneese minority int.)

Analytical Instrument Accessories
Manufactures and markets accessories, supplies and highly purefied chemical standards for the chroma-tographic sciences.

Applied Science Division
State College, Pennsylvania

Applied Science Europe
B.V. (Dutch joint venture)

Acquisition(s):

Applied Science Laboratories
State College, Pennsylvania
Supplier of gas and liquid chromatography chemicals and accessories.

Transfer Agent(s):

Girard Bank
4 Girard Plaza
Philadelphia, Pennsylvania

Stock Exchange(s): New York

Ticker Symbol: MRC

Number of Employees:

1981	888	1978	862
1980	897	1977	797
1979	931		

Sales and Earnings +

	Net Sales †	Net Income
1981	$ 62,591,000	$ 4,019,000
1980	55,067,000	3,373,000
1979	48,099,000	1,895,000
1978	42,228,000	2,023,000
1977	35,102,000	1,388,000

	No. of Com. Shares ‡	Earn. per Share #
1981	2,191,000	$ 1.87
1980	2,143,000	1.61
1979	2,012,000	1.19
1978	2,824,000	1.21
1977	2,791,000	0.95

+ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning Foreign Currency translation.
† Of continuing operations only; includes services.
‡ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Laboratoy Analytical Instrumentation	$ 14,649	$ 12,004
Analytical Instrument Accessories	3,455	3,957
Energy & Environmental Instrumentation	11,882	12,184
Fluid Control Instrumentation	32,605	26,922
Total	$ 62,991	$ 55,067

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.37	—	4-for-3
1980	0.28	—	—
1979	0.18	—	3-for-2
1978	0.14	—	—
1977	0.13	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 28,035,000	$ 12.79
1980	25,234,000	11.78
1979	21,769,000	10.82
1978	29,114,000	10.31
1977	27,297,000	9.78

† Restated to reflect change in accounting method.
‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 62,591,000	$ 55,067,000
Cost of sales	34,351,000	29,532,000
Expenses	22,651,000	21,109,000
Interest expense	789,000	703,000
Other income	(824,000)	(633,000)
Eq. in inc. of joint vent.	(669,000)	(808,000)
Income before taxes	$ 6,293,000	$ 5,164,000
Income taxes	2,274,000	1,791,000
Net Income	$ 4,019,000	$ 3,373,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,350,000 in 1981 and $1,151,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 271,000	$ 490,000
Short-term invest.	5,100,000	2,900,000
Accts. receiv., net	11,608,000	10,756,000
Notes receivable	268,000	657,000
* Inventories	14,986,000	14,235,000
Prepaid expenses	341,000	452,000
Deferred inc. taxes	672,000	504,000
Current Assets	$ 33,246,000	$ 29,994,000
Investments	3,040,000	3,187,000
# Fixed assets	10,117,000	9,169,000
Other assets	337,000	251,000
Intangibles	865,000	889,000
Notes receiv.	23,000	709,000
Total Assets	$ 47,628,000	$ 44,199,000

Liabilities

Long-term debt	$ 837,000	$ 477,000
Notes payable	1,041,000	592,000
Accts. payable	3,972,000	3,788,000
Accruals	4,335,000	4,664,000
Income taxes	1,984,000	2,201,000
Curr. Liabilities	$ 12,169,000	$ 11,722,000
Long-term debt.	7,195,000	7,032,000
Deferred inc. taxes	229,000	211,000
+ Common stock	2,191,000	1,607,000
Add. paid-in capital	4,531,000	4,511,000
Equity adjustment	(1,024,000)	—
Retained earnings	22,337,000	19,116,000
Total Liabilities & Shareholders' Equity	$ 47,628,000	$ 44,199,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.05	9.38
%Net Income to Sales	6.42	6.13
%Net Income to Equity	14.34	13.37
Sales to Inventories	4.18	3.87
Working Capital	$21,077,000	$18,272,000
Current Ratio	2.73	2.56
Shareholders' Equity	$28,035,000	$25,234,000

Mini-Computer Systems, Inc.

399 Fairview Park Drive
Elmsford, New York 10523
(914) 592-8812

Officers: William R. Doniger, president; Marijane K. Whiteman, sr. v.p. & secretary; Stewart M. Parness, controller; Paul Gangemi, v.p. & chief financial officer; Jim Krok, Thomas DeLorenzo, vice presidents.

Directors: William R. Doniger, Marijane K. Whiteman, Francis L. Fraenkel, Ernest A. Kallman.

Areas of Work: Engaged in the development and marketing of minicomputer systems designed to handle normal business applications, primarily to distributors and original equipment manufacturers.

Subsidiaries:

P.C. Computer Systems, Ltd.
Montreal, Quebec, Canada

MCS France S.A.
Paris, France

MCS Mini-Computer Systems, Ltd.
London & Maidenhead, England

296541 Ontario Ltd.
Toronto, Canada

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10022

Stock Exchange(s): Over-the-Counter, Pacific

Ticker Symbol: MICO (NASDAQ)

Number of Employees:

1981	201	1979	299
1980	189	1978	263

Plant Footage:

1981	68,200 sq. ft.	1979	51,700
1980	68,200	1978	45,925

Sales and Earnings

	Revenues	Net Income #
1981	$ 15,010,486	$ (1,891,309)
1980	17,669,972	(2,720,058)
1979	18,125,473	478,703
1978	16,249,640	(936,939)
1977	13,969,000	527,482

	No.of Com. Shares +	Earn. per Share + #
1981	879,607	$ —
1980	873,788	—
1979	955,867	0.53
1978	848,177	—
1977	873,121	0.60

(Loss)
+ Based on the weighted average number of shares outstanding.
# Including extraordinary gain $90,000 ($0.09 per share) in 1979.

Mini-Computer Systems, Inc.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ (1,035,167)	$ —
1980	931,917	0.95
1979	3,622,660	4.13
1978	3,120,429	3.68
1977	4,006,426	4.59

(Deficiency)

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Oct. 31	1981	1980
Revenues	$ 15,010,486	$ 17,669,972
Cost of sales	9,923,639	12,528,935
Expenses	5,920,019	6,543,409
Prov. for doubtful accts.	(44,906)	137,097
Interest expense	1,141,043	1,011,589
Loss before taxes	(1,929,309)	$ (2,551,058)
Income taxes (credit)	(38,000)	169,000
Net Loss	$ (1,891,309)	$ (2,720,058)

* Included in Costs and Expenses, Depreciation and Amortization: $487,134 in 1981 and $524,205 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 70,763	$ 481,730
Receiv., net	2,311,077	3,106,834
Notes receiv.	150,715	110,065
*Inventories	4,562,990	5,384,873
Prepaid expenses	585,265	642,095
Current Assets	$ 7,680,810	$ 9,725,597
Accts. & notes receiv.	14,959	140,420
#Fixed assets	1,315,369	1,398,999
Notes receiv.	298,574	428,274
Other assets	36,120	35,558
Deferred fin. exp.	517,119	584,427
Total Assets	$ 9,862,951	$ 12,313,275
Liabilities		
Long-term debt, curr.	$ 5,346,474	$ 1,161,441
Accts. payable	3,057,222	3,256,312
Accruals	2,271,254	1,639,376
Income taxes	109,792	103,003
Curr. Liabilities	$ 10,784,742	$ 6,160,132
Long-term debt	98,609	1,302,376
Debentures	—	3,850,000
Deferred inc. taxes	14,767	68,850
+ Common stock	89,961	89,961
Add. paid-in capital	2,558,089	2,558,089
Retained earnings (deficit)	(3,565,442)	(1,674,133)
Treasury stock	(42,000)	(42,000)
For. trans. adjust.	(75,775)	—
Total Liabilities & Shareholders' Equity	$ 9,862,951	$ 12,313,275

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Working Capital	—	$3,565,465
Current Ratio	—	1.58
Shareholders' Equity (Deficiency)	$(1,035,167)	$ 931,917

Minnesota Mining and Manufacturing Company

3 M Center
St. Paul, Minnesota 55144
(612) 733-1110

Officers: Lewis W. Lehr, chairman of the board & chief executive officer; James A. Thwaits, president, International Operations & copr. staff services; Erwin W. Brown, exec. v.p.- Electronic & Information Technologies Sector; L.D. DeSimone, exec. v.p.-Life Sciences Sector; Allan J. Huber, exec. v.p.-Graphic Technologies Sector; M.J. Monteiro, exec. v.p.-international operations; Robert M. Adams, sr. v.p.-technology services; Stanley W. Thiele, sr. v.p.-administrative services; E. Wayne Bollmeier, group v.p.-Electrical Products; Darrell H. Boyd, group v.p.-Audio Visual & Graphic Services; Richard W. Brust, v.p.-taxes; Daniel E. Denham, group v.p.-Network Relations; Charlton Dietz, v.p.-legal affairs & general counsel; Ralph D. Ebbott, v.p. & treasurer; Gordon W. Engdahl, v.p.-human resources; Donald E. Garretson, v.p.-finance; Harry A. Hammerly, v.p.-Australia-Asia-Canada; George L. Hegg, group v.p.-Chemicals, Film & Allied Products; Charles W. Higgins, v.p.-marketing; Josef L. Kuhn, v.p.-European Operations; Carl A. Kuhrmeyer, v.p.-administration;John C. Landen, group v.p.-Traffic & Personal Safety Products; Sidney M. Leahy, group v.p.-Memory Technologies; Carlos W. Luis, v.p.-public affairs; Ernest B. Moffet, Jr., group v.p.-Consumer Products; Lauren L. Morin, v.p.-manufacturing; Gerald G. Mueller, v.p.-engineering; William E. Olson, v.p.-purchasing & transportation; John W. Pearson, v.p.-development; Howard D. Punch, group v.p.-Abrasives, Cleaning Products & Industrial Minerals; Joseph F. Ramey, group v.p.-Information Output & Communication Technologies; Jerry E. Robertson, group v.p.-Health Care Products & Services; Kenneth A. Schoen, group v.p.-Tape, Adhesives & Decorative Products; James A. Searles, v.p. & controller; Thomas P. Skoog, group v.p.-Graphic Arts; John J. Verstraete, v.p.-public relations; Arlo D. Levi, secretary; Jack J. Erdman, Dwight A. Peterson, Robert H. Stenberg, asst. treasurers; Donald O. Hambleton, Raymond E. Johnson, James A. Smith, asst. secretaries.

Directors: Raymond H. Herzog, Robert M. Adams*, Joseph W. Barr, James H. Binger, Charlton Dietz*, Lewis W. Lehr*, Lee L. Morgan, John G. Ordway, Jr., Norma T. Pace, Peter G. Peterson, John M. Pitblado*, James A. Thwaits*.

* Member of Executive Committee.

Areas of Work: The Company's operations are organized into four sectors: Electronic & Information Technologies, Industrial & Consumer, Graphic Technologies, and Life Sciences.

Operating Sectors:

Electronic & Information Technologies

Manufactures connectors, semiconductor packaging and interconnection devices. Other products include broadband networking systems for the office and factory automation markets which combine computer and communications technologies; micrographic equipment and supplies, copiers, facsimile transcievers, teleprinters, and magnetic tape.

Micrographic Products Division
Industrial Electrical Products Division
Electronic Products Division
TelComm Products Division
Electro-Products Division
Copying Products Division
Electronic-Mechanical Resources Division
Business Communication Products Division
Magnetic Audio/Video Products Division
Data Recording Products Division

Industrial & Consumer

Manufactures pressure sensitive tapes, abrasives, adhesives, specialty chemicals, roofing granules and decorative products.

Industrial Abrasives Division
Industrial Mineral Products Division
Building Service and Cleaning Products Division
Chemical Resources Division
Commercial Chemicals Division
Film and Allied Products Division
Household and Hardware Products Division
Automotive Trades Division

Commercial Tape Division
Packaging Systems Division
Industrial Specialties Division
Industrial Tape Division
Decorative Products Division
Adhesives, Coatings and Sealers Division

Graphic Technologies

Provides products and services for the graphic communications and advertising services areas.

Divisions:

Magnetic Audio/Video Products Division
Medical Products Division
Micrographic Products Division
Mincom Division
New Business Ventures Division
Occupational Health and Safety Products Division
Packaging Systems Division
Photographic Products Division
Printing Products Division
Safety & Security Systems Division
Surgical Products Division
Technical Ceramic Products Division

Areas of Work: safety products including reflective sheetings for highway signs and respirators to protect workers on the job.

Medical Products Division
Surgical Products Division
Riker Laboratories, Inc.
Traffic Control Materials Division
Safety and Security Systems Division
Occupational Health and Safety Products Division

Transfer Agent(s):

First Trust Company of Saint Paul
(common stock, notes & debentures)
W-555
First National Bank Building
St. Paul, Minnesota 55101

Morgan Guaranty Trust Company of New York
(common stock)
30 West Broadway
New York, New York 10015

Manufacturers Hanover Trust Company
(notes & debentures)
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Pacific, Midwest, Paris, Amsterdam, Switzerland, Germany

Ticker Symbol: MMM

Number of Employees:

1981	91,400	1978	84,971
1980	86,898	1977	81,359
1979	87,738		

Sales and Earnings †

	Net Sales ‡ (000's)	Net Income (000's)
1981	$ 6,508,000	$ 673,000
1980	6,079,540	668,000
1979	5,440,370	638,000
1978	4,661,666	518,000
1977	3,980,326	424,000

	No. of Com. Shares	Earn. per Share #
1981	117,466,821	$ 5.74
1980	117,303,037	5.69
1979	117,296,499	5.44
1978	117,185,298	4.44
1977	116,042,324	3.66

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.

‡ Includes other operating revenues.

# Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Industrial & consumer	$ 2,279,000	$ 2,122,000
Electronic & info. technologies	1,993,000	1,931,000
Graphic technologies	1,168,000	1,060,000
Life sciences	1,043,000	952,000
Eliminations	25,000	15,000
Total	$ 6,508,000	$ 6,080,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.00	—	—
1980	2.80	—	—
1979	2.40	—	—
1978	2.00	—	—
1977	1.70	—	—

Common Stock Equity ‡

	Total Equity (000's)	Equity Per Share
1981	3,449,000	$ 29.36
1980	3,308,000	28.20
1979	2,982,000	25.42
1978	2,645,000	22.57
1977	2,268,000	19.54

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales & revenues	$ 6,508,000	$ 6,080,000
Cost of sales	3,731,000	3,400,000
Expenses	1,608,000	1,492,000
Interest expense	79,000	62,000
Other income	(63,000)	(59,000)
Income before taxes	$ 1,153,000	$ 1,185,000
Income taxes	480,000	517,000
Net Income	$ 673,000	$ 668,000

* Included in Costs and Expenses, Depreciation and Amortization: $282,000,000 in 1981 and $257,000,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & short-term invest.	$ 93,000	$ 188,000
Market. secur.	61,000	21,000
Accts. receiv., net	1,156,000	1,102,000
*Inventories	1,562,000	1,423,000
Other assets	139,000	125,000
Current Assets	$ 3,011,000	$ 2,859,000
Investments	253,000	236,000
#Fixed assets	2,067,000	1,916,000
Other assets	91,000	50,000
Total Assets	$ 5,422,000	$ 5,061,000

Liabilities
(000's)

Short-term debt	$ 256,000	$ 97,000
Long-term debt, curr.	9,000	13,000
Accts. payable	370,000	357,000
Accrued payroll	163,000	168,000
Income taxes	177,000	193,000
Other liab.	292,000	234,000
Curr. Liabilities	$ 1,267,000	$ 1,062,000
Long-term debt	327,000	346,000
Deferred inc. taxes	230,000	193,000
Other liabilities	149,000	152,000
+Common stock	296,000	296,000
Retained earnings	3,300,000	2,983,000
Treasury stock	(26,000)	(36,000)
Cum. translation	(121,000)	65,000
Total Liabilities & Shareholders' Equity	$ 5,422,000	$ 5,061,000

‡ Restated.
* At lower of cost (FIFO) or market (lower of replacement cost or realizable value.)
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	17.72	19.49
%Net Income to Sales	10.34	10.99
%Net Income to Equity	19.51	20.19
Working Capital	$1,744,000,000	$1,797,000,000
Current Ratio	2.38	2.69
Shareholders' Equity	$3,449,000,000	$3,308,000,000

Missouri Research Laboratories, Inc.

3800 West Clay Street
St. Charles, Missouri 63301
(314) 946-6900

Officers: Walter Funk, Jr., chairman of the board & chief executive officer; Jerome E. Adams, president & chief administrative officer; Lawrence C. Grazevich, vice chairman & chief operating officer; Alan G. Johnson, secretary.

Directors: Walter Funk, Jr. chairman; Robert J. Forthofer, William W. Halliday, Max Diamant, John H. Pahlmann, Lawrence C. Grazevich, Jerome E. Adams, Alan G. Johnson, Roswell Messing, Jr.

Divisions:

Electronics Group
Albuquerque, New Mexico
Manufactures high quality printed circuit boards and a wide variety of electronic assemblies. Offers contract personnel services including engineers, technicians, draftsmen and illustrators.

Utility Products & Services Group
Hoffman, Illinois
Manufactures and sells a line of mobile power equipment containing electrical generating capacity and other support equipment used by underground utility system construction and maintenance crews. These products and services are sold under the trade styles "Hesco" and "Sepco". Similar equipment is also sold to municipalities for use as standby power in connection with waste water treatment and sewage systems.

Industrial Equipment Group
St. Charles, Missouri
Performs general job shop fabrication services involving machining, welding, and sheetmetal forming operations.

Transfer Agent(s):

Mercantile Bank
St. Louis, Missouri

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRES (NASDAQ)

Number of Employees:

1980	340	1979	348

Plant Footage:

1981	311,000 sq. ft.	1979	286,000
1980	286,000	1978	273,000

Sales and Earnings

	Net Sales +	Net Income †
1982	$ 13,819,000	$ 615,000
1981	12,306,000	769,000
1980	11,016,000	905,000
1979	8,457,000	792,000
1978	6,087,000	475,000

	No. of Com. Shares ‡	Earn. per Share †‡
1982	2,272,000	$ 0.27
1981	2,259,000	0.34
1980	2,229,000	0.41
1979	2,127,000	0.37
1978	2,127,000	0.22

+ Of continuing operations only.
† Including extraordinary gain of $125,000 ($0.06 per share) in 1978.
‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.13	—	—
1981	0.13	—	—
1980	0.09	—	—
1979	0.05	—	—
1978	0.03	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1982	$ 4,802,000	$ 2.11
1981	4,522,000	2,00
1980	3,932,000	1.76
1979	3,060,000	1.44
1978	2,372,000	1.12

† Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended Jan. 31	1982	1981
Net sales	$ 13,819	$ 12,306
Cost of sales	10,931	9,700
Expenses	1,768	1,440
Interest expense	124	58
Interest income	(65)	- (44)
Gain on dispos. of fixed assets	—	(36)
Income before taxes	$ 1,061	$ 1,188
Income taxes	489	555
Inc.-cont. oper.	$ 572	$ 633
Inc.-discont. oper.	43	136
Net Income	$ 615	$ 769

* Included in Costs and Expenses, Depreciation and Amortization: $424,000 in 1982 and $298,000 in 1981.

Assets
(000's)

As of Jan. 31	1982	1981
Cash	$ 462	$ 320
Cert. of deposit	250	500
Accts. receiv., net	2,185	2,539
*Inventories	2,016	2,006
Prepaid expenses	51	65
Assets of discont. oper.	1,510	—
Current Assets	$ 6,474	$ 5,490
#Fixed assets	1,626	1,549
Other assets & defer. charges	190	113
Total Assets	$ 8,290	$ 7,152

Liabilities
(000's)

Long-term debt, curr.	$ 131	$ 126
Accts. payable	1,102	829
Accruals	444	272
Accrued payroll	496	437
Income taxes	75	114
Curr. Liabilities	$ 2,248	$ 1,778
Long-term debt	1,240	852
+Common stock	229	229
Add. paid-in capital	1,307	1,307
Retained earnings	3,306	2,988
Treasury stock	(40)	(2)
Total Liabilities & Shareholders' Equity	$ 8,290	$ 7,152

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	12.81	17.01
Sales to Inventories	6.85	6.13
Working Capital	$4,226,000	$3,712,000
Current Ratio	2.88	3.09
Shareholders' Equity	$4,802,000	$4,522,000

MITE Corporation

446 Blake Street
New Haven, Connecticut 06515
(203) 387-2572

Officers: Robert J. Blinken, chairman of the board & chief executive officer; Leo J. Brancato, president; William P. Ryan, Richard R. Swanson, sr. vice presidents; Karl Epple, Frank A. Stratton, Stewart Hampton, vice presidents; Marcel J. Lamy, vice president, controller & asst. treasurer; Stephen L. Dinces, secretary; M.H. Blinken, treasurer; Louis Cetran, assistant vice president.

Directors: Robert J. Blinken*, Alan J. Blinken, Donald M. Blinken*, Melvin C. Steen*, Leo J. Brancato*, Richard R. Swanson, William P. Ryan, Kenneth J. Oberman.

*Member of the Executive Committee.

Divisions and Subsidiaries:

Industrial Components Group

Provides broad line of specialty fastener products and hardware items, such as inserts, fasteners and electronic hardware.

Insert Products Division
Heli-Coil, Dodge, Kelox & Tapsert Divisions
Shelter Rock Lane
Danbury, Connecticut 06810
(203) 743-7651

Gripco Fastener Division
South Whitley, Indiana 56787
(219) 723-7651

Montpelier, Indiana 47359
(317) 728-1400

Amatom Electronic Hardware Division
446 Blake Street
New Haven, Connecticut 06515
(203) 397-3311

Special Products Group

Precision spindles, time stamps and recorders, perforators, hydraulic control divices and attachments for home sewing machines.

Stromberg Group
446 Blake Street
New Haven, Connecticut 06515
(203) 387-2572

Attendance and job recorders, time stamps, and clock systems.

Gar-Kenyon Controls Division
446 Blake Street
New Haven, Connecticut 06515
(203) 387-2572

Designs and manufactures hydraulic valves and controls, used principally in the aircraft industry.

A.B.E.
446 Blake Street
New Haven, Connecticut 06515
(203) 387-2572

Manufactures perforators which are used to punch dates and other information through single or multiple copy business forms and documents.

Whitnon Manufacturing Company
Route 6 & New Britain Ave.
Farmington, Connecticut 06032
(203) 677-2608

Design and manufacture of high precision machine spindles, hydrostatic bearings and associated products.

Griest Division
446 Blake Street
New Haven, Connecticut 06515
(203) 387-2572

Attachments for home sewing machines.

Transfer Agent(s):

The Union Trust Company
304 Main Street
Stamford, Connecticut 06901

National Bank of North America
44 Wall Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: MTE

Number of Employees:

1982	1,068	1979	1,035
1981	1,077	1978	993
1980	1,101		

Plant Footage:

1982	567,000 sq.ft.	1979	480,000
1981	567,000	1978	480,000
1980	567,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 68,378,433	$ 6,108,243
1981	63,419,509	6,285,983
1980	66,322,197	6,843,533
1979	59,399,926	5,916,258
1978	48,202,940	4,107,502

	No. of Com. Shares	Earn. per Share ‡
1982	1,969,921	$ 3.01
1981	1,956,961	3.04
1980	2,052,412	3.12
1979	2,126,217	2.56
1978	2,232,623	1.76

‡ Based on the average number of shares outstanding assuming full dilution.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.675	—	—
1981	0.60	—	—
1980	0.55	—	—
1979	0.37	—	—
1978	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 32,261,159	$ 17.27
1981	30,484,767	15.58
1980	27,013,443	13.16
1979	23,933,238‡	11.26
1978	20,867,269‡	9.35

‡ After allowing for preferred stock at liquidation preference of $12 per share.

Income Account *

Year ended	2/28/82	2/28/81
Net sales	$ 68,378,433	$ 63,419,509
Cost of sales	40,671,633	37,377,453
Expenses	16,206,808	14,765,048
Interest expense	2,012,394	2,212,102
Other income	(2,563,645)	(2,374,077)
Income before taxes	$ 12,051,243	$ 11,438,983
Income taxes	5,943,000	5,153,000
Net Income	$ 6,108,243	$ 6,285,983

* Included in Costs and Expenses, Depreciation and Amortization: $2,184,274 in 1982 and $1,941,797 in 1981.

Assets

As of	2/28/82	2/28/81
Cash & invest.	$ 15,660,335	$ 15,326,201
Marketable securities	—	103,700
Accts. receiv., net	9,213,194	9,608,833
*Inventories	14,345,473	12,630,966
Prepaid expenses	99,956	92,807
Current Assets	$ 39,318,958	$ 37,762,507
#Fixed assets	16,050,850	16,693,541
Other assets	531,885	451,664
Defer. charges	1,033,383	1,145,381
Intangibles	5,548,053	5,555,253
Total Assets	$ 62,483,129	$ 61,608,346

Liabilities

Long-term debt, curr.	$ 808,704	$ 792,146
Accts. payable & accruals	5,804,864	6,302,962
Income taxes	1,050,467	1,344,876
Curr. Liabilities	$ 7,664,035	$ 8,439,984
Long-term debt	19,901,411	20,664,314
Deferred compensation	1,135,524	928,281
Deferred inc. taxes	1,521,000	1,091,000
+ +Common stock	1,982,426	1,973,511
Add. paid-in earnings	3,389,469	1,947,321
Retained earnings	28,972,818	26,911,440
Treasury stock (loss)	(317,929)	(347,505)
Non-recourse rates	(1,765,625)	—
Total Liabilities & Shareholders' Equity	$ 62,483,129	$ 61,608,346

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.62	18.04
%Net Income to Sales	8.93	9.91
%Net Income to Equity	18.93	20.62
Sales to Inventories	4.77	5.02
Working Capital	$31,654,923	$29,323,523
Current Ratio	5.13	4.47
Shareholders' Equity	$32,261,159	$30,484,767

Modern Controls, Inc.

19228 Industrial Boulevard
Elk River, Minnesota 55330
(612) 441-5610

Officers: Howard L. Demorest, president, treasurer & chief executive officer; William N. Mayer, executive vice president-operations; Rex C. Wood, vice president; Trygve Hauge, secretary; Vernon J. Vander Weide, asst. secretary.

Directors: Howard L. Demorest, Trygve A. Hauge, Francis Faber, William N. Mayer, Dean B. Chenoweth.

Areas of Work: Manufactures and markets precision instruments used for quality control, production control, and testing purposes, primarily in the food, pharmaceutical, chemical, and packaging industries. Also manufactures and markets high-speed capsule sorting and weighing systems for the pharmaceutical industry.

Transfer Agent(s):

First Bank Minneapolis
Minneapolis, Minnesota 55480

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOCO (NASDAQ)

Number of Employees:

1982	38	1979	38
1981	38	1978	18
1980	35		

Plant Footage:

1982	20,000 sq. ft.	1979	20,000
1981	20,000	1978	10,000
1980	20,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1982	$ 2,644,041	$ 223,884
1981	2,171,533	(355,392)
1980	1,537,640	74,782
1979	1,075,707	(155,438)
1978	1,027,888	(98,966)

	No. of Com. Shares	Earn. per Share # ‡
1982	1,601,064	$ 0.14
1981	1,601,614	—
1980	1,586,200	0.06
1979	1,030,200	—
1978	1,015,950	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary credit of $68,358 ($0.04 per share) in 1982 and $18,364 ($0.01 per share) in 1980.

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 1,318,611	$ 0.82
1981	1,094,429	0.68
1980	1,448,946	0.91
1979	234,628	0.23
1978	383,160	0.38

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 2,644,041	$ 2,171,533
Cost of sales	1,005,617	822,591
Research & development costs	263,668	92,300
Expenses	1,106,616	795,656
Other income	(50,319)	(63,841)
Income before taxes	$ 318,459	$ 524,827
Income taxes	117,408	220,068
Income-cont. oper.	$ 201,051	$ 304,759
Loss-dicont. oper.	45,525	(660,151)
Net Income (Loss)	$ 155,526	$ (355,392)
Extraord. gain	68,358	—
Net Income (Loss) & Extraord. Gain	$ 223,884	$ (355,392)

* Included in Costs and Expenses, Depreciation and Amortization: $ 40,351 in 1982 and $51,553 in 1981.

Assets

As of Jan. 31	1982	1981
Cash	$ 28,639	$ 35,399
Temp. investments	550,000	400,000
Accts. receiv., net	396,951	272,787
*Inventories	383,755	343,198
Prepaid expenses	30,957	61,847
Prepaid inc. taxes	—	1,517
Current Assets	$ 1,390,302	$ 1,114,748
#Fixed assets	391,131	341,395
Other assets	152,413	181,571
Total Assets	$ 1,933,846	$ 1,637,714

Liabilities

	1982	1981
Notes payable	$ 13,741	$ 16,559
Accts. payable	216,478	156,425
Accruals	146,842	125,302
Warranty costs	7,000	7,000
Income taxes	6,959	100
Curr. Liabilities	$ 391,020	$ 305,386
Mortgage payable	2,726	4,477
Capital lease obligation	182,866	195,675
Policy loans	38,623	37,747
+Common stock	160,587	160,570
Add. paid-in capital	1,352,218	1,351,937
Retained earnings	(187,882)	(411,766)
Treasury stock	(6,312)	(6,312)
Total Liabilities & Shareholders' Equity	$ 1,933,846	$ 1,637,714

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	11.79	—
Sales to Inventories	6.89	6.33
Working Capital	$ 999,282	$ 809,362
Current Ratio	3.56	3.65
Shareholders' Equity	$1,318,611	$1,094,429

Modular Computer Systems, Inc.

(25% owned by AEG-Telefunken of West Germany)

1650 W. McNab Road
Ft. Lauderdale, Florida 33310
(305) 974-1380

Officers: Gabriel A. Rosica, chairman of the board, president & chief executive officer; Benjamin L. Harrison, sr. v.p.-marketing & business development; R. Jesse Barber, v.p.-Americas operations; Hollis P. Nelson, v.p.-human resources; John P. Pitt, v.p.-international operations; Edward L. Savage, v.p.-finance; Gordon L. Woolley, v.p.-operations; John J. Dooley, treasurer; Bernard M. Herbenick, general counsel & secretary.

Directors: Gabriel A. Rosica, chairman; Hans Gissel, John C. Lobb, William E. Mayer, David T. Morgenthaler, Horst Nasko, Edward L. Savage, Edward D. Zimmer.

Areas of Work: Engaged in the development, manufacture and marketing of computer systems and software (programs) for the measurement and control market, including process measurement and control, laboratory automation, production control and monitoring, and energy demand and monitoring. Offers computer systems for the data communications market, including front-end communications processors, line and terminal concentrators, message switching, inquiry/response and remote job entry.

Subsidiaries:

Modular Computer Services
Molly Millars Lane Wokingham
Berkshire RG11 2QT England

Modcomp C.A.
Avenida Principal la Floresta
Quinta Maria Urb. la Floresta
Codigo Postal 1060
Caracas, Venezuela

Modular Computer Services
357 Avenue de la Couronne
1050 Brussels, Belgium

Modcomp France SARL
17 Rue des Solets SILIC 94513
Rungis CEDEX 115 Paris
France

ATM Computer GmbH (25% owned)
Handelstrasse 5
8000 Munich 80

Modular Computer Systems
Zeelantlaan No 11
3526AK Utrecht
The Netherlands

Modular Computer Services
Scandinavia AB
Kistagangen 2
163 42 Spanga/Stockholm
Sweden

Modcomp Canada, Ltd.
400 Matheson Boulevard East, Unit 24
Mississauga, Ontario L42 IN8
Canada
(416) 272-4600

Modcomp Spain S.A.
Amigo 19
Barcelona-21, Spain

Modular Computer Services
1 Rue de la Presse
1000 Brussels, Belgium

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: MSY

Number of Employees:

1981	1,535	1978	1,241
1980	1,481	1977	1,114
1979	1,302		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 87,200,000	$ 1,160,000
1980	81,088,000	3,810,000
1979	71,804,000	4,670,000
1978	64,517,000	4,423,000
1977	54,768,000	4,261,000

	No. of Com. Shares	Earn per Share #‡
1981	5,170,883	$ 0.22
1980	5,092,923	0.81
1979	3,264,559	1.40
1978	3,166,044	1.36
1977	3,083,508	1.39

‡ Including extraordinary loss of $387,000 ($0.12 per share) in 1978 and extraordinary gains of $410,000 ($0.13 per share) in 1977.
# Based on weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 65,677,000	$ 12.70
1980	63,552,000	12.48
1979	49,672,000	11.40
1978	15,029,000	4.75
1977	9,614,000	3.12

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 87,200	$ 81,088
Cost of sales	53,746	48,584
Expenses	32,551	27,061
Interest expense	373	1,419
Income before taxes	$ 1,503	$ 5,754
Income taxes	343	1,944
Net Income	$ 1,160	$ 3,810

* Included in Costs and Expenses, Depreciation and Amortization: $2,867,000 in 1981 and $2,610,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 3,255	$ 2,398
Short term investments	4,533	9,197
Accts. receiv., net	27,935	28,484
*Inventories	31,064	25,796
Prepaid expenses	1,673	1,432
Current Assets	$ 68,460	$ 67,307
#Fixed assets	12,613	9,580
Other assets	3,260	2,820
Total Assets	$ 84,333	$ 79,707

Liabilities
(000's)

	1981	1980
Notes payable	$ 2,065	$ 1,652
Long-term debt, curr.	406	384
Accts. payable	6,084	7,152

Income taxes	44	753
Accruals	5,582	3,850
Advance payments	377	645
Curr. Liabilities	$ 14,558	$ 14,436
Long-term debt	2,866	1,037
Deferred inc. taxes	1,232	682
+Common stock	259	255
Add. paid-in capital	51,264	50,345
Retained earnings	14,159	12,999
Receiv. & def. comp.	(4)	(46)
Treasury stock	(1)	(1)
Total Liabilities & Shareholders' Equity	$ 84,333	$ 79,707

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.72	7.10
% Net Income to Sales	1.33	4.70
% Net Income to Equity	1.77	6.00
Sales to Inventories	2.81	3.14
Working Capital	$53,902,000	$52,871,000
Current Ratio	4.70	4.66
Shareholders' Equity	$65,677,000	$63,552,000

Mohawk Data Sciences Corp.

7 Century Drive
Parsippany, New Jersey 07054
(201) 540-9172

Officers: Ralph H. O'Brien, chairman of the board, president & chief executive officer; Douglas K. Baker, executive v.p. & president-MDS Qantel; R. Watson Bell, exec. v.p. & chief financial officer; William J. Mann, exec. v.p.; Peter S. Anderson, sr. v.p. & president-MDS Systems; Herbert G. Price, sr. v.p.-technology planning; F. William Stamper, sr. v.p.-product strategies; John C. Walters, sr. v.p.-legal & secretary; Michael V. Bergamo, v.p. & president-MDS service; Joe R. Brooks, v.p. & controller; James J. Byrne, v.p. & president-North American Marketing Group-MDS Systems; B.R. Gandler, v.p.-engineering, Advanced Development Center; Stuart Goldsmith, v.p.-corp. planning & development; Robert J. Hingre, v.p.-Herkimer Manufacturing; Harry L. Hoberman, v.p.-product programs; Kenneth E. James, v.p.-human resources; Francis Leeman, v.p. & president-Europe/Africa Marketing Group-MDS Systems; Charles A. Martin, v.p.-software development, Advanced Development Center; Robert E. Sundius, v.p.-quality assurance; Gerald R. Birr, treasurer.

Directors: Ralph H. O'Brien, chairman; R. Watson Bell, William E. McKenna, James W. Hart, Arthur F. Flaherty, L. Donald Horne, Douglas K. Baker, George R. West.

Areas of Work: Through the Company's MDS Systems Division, the Company is involved in the design, manufacture and distribution of microprocessor-based data processing systems. Applications include data entry, stand-alone processing, data communications, word processing and electronic mail. The Qantel Division markets a full line of application-oriented computer systems designed for the business user. Qantel offers a variety of software packages that are designed for specific industries. The MDS Trivex Division manufactures plug-compatible terminals, printers and controllers which require no modification of hardware or software for total compatibility. MDS Service Division provides installation, preventive maintenance and repair to all users of MDS products.

Divisions:

MDS Systems
MDS Qantel
MDS Trivex
MDS Service

Subsidiaries:

Mohawk Data Sciences-Canada Limited
MDS-Belgium, S.A.
MDS A/S (Denmark)
M.D.S.-France, S.A.
MDS Deutschland GmbH (West Germany)
MDS-Data Processing Limited (Great Britain)
M.D.S. Limited (Ireland)
M.D.S. Italia S.p.A.
MDS Nederland N.V.
MDS Corporation Zurich AG (Switzerland)
MDS-Svenska, AB
MDS South Africa (Pty.) Ltd.

Transfer Agent(s):

The First National Bank of Boston
Post Office Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: MDS

Number of Employees:

1981	5,200	1978	4,000
1980	N.A.*	1977	3,750
1979	4,000		

Plant Footage:

1981 . . . . . . 1,000,000 sq.ft.
* Not Available.

Sales and Earnings †

	Revenues	Net Income ‡
1981	$ 287,400,000	$ 19,100,000
1980	261,200,000	17,200,000
1979	215,200,000	14,300,000
1978	169,400,000	8,500,000
1977	156,200,000	5,600,000

	No. of Com. Shares	Earn. per Share +‡
1981	13,320,852	$ 1.60
1980	11,146,168	1.51
1979	10,999,103	1.34
1978	9,360,430	0.90

† Restated to include operations of companies acquired on a pooling of interests basis.
‡ Including extraordinary gains of $800,000 (0.07 per share) in 1981, $1,300,000 (0.11 per share) in 1980, $1,100,000 ($0.10 per share) in 1979, $1,900.000 ($0.20 per share) in 1978 and $2,400,000 in 1977.
+ Based on average number of shares.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 157,200,000	$ 11.80
1980	95,600,000	8.58
1979	77,600,000	7.06
1978	44,800,000	4.79

‡ Restated.

Income Account *
(000's)

Year ended April 30	1981	1980 ‡
Net sales	$ 152,897	$ 133,008
Rentals & other income	134,473	128,196
Revenues	$ 287,370	$ 261,204
Cost of sales	68,503	60,561
Cost of rentals & services	82,192	76,393
Expenses	102,471	92,403
Other expense (income)	(713)	21
Interest expense	11,672	11,505
Interest income	(3,917)	(3,194)
Income before taxes	$ 27,162	$ 23,515
Income taxes	8,881	7,636
Net Income	$ 18,281	$ 15,879
Extraord. gain	837	1,308
Net Income & extraord. gain	$ 19,118	$ 17,187

* Included in Costs and Expenses, Depreciation and Amortization: $28,261,000 in 1981 and $27,764,000 in 1980.
‡ Restated.

Assets
(000's)

As of April 30	1981	1980 ‡
Cash	$ 8,871	$ 11.663
Accts. receiv., net	56,189	46,090
Investment	21,328	19,080
*Inventories	53,488	40,498
#Rental equipment	90,213	86,974
#Fixed assets	21,088	19,950
Intangibles	7,674	7,723
Fixed assets	9,391	7,626
Total Assets	$ 268,242	$ 241,604

Liabilities
(000's)

Accts. payable	$ 11,351	$ 9,924
Accrued payroll	5,067	5,730
Accrued taxes	6,603	5,277
Income taxes	3,988	4,620
Accruals	7,234	8,390
Short-term borrowings	4,422	826
Long-term debts	52,193	90,190
Deferred income	7,587	9,587
Deferred inc. taxes	13,144	11,433
+Common stock	1,332	1,115
Add. paid-in capital	115.681	73,950
Retained earnings	40,180	20,562
Total Liabilities & Shareholders' Equity	$ 268,242	$ 241,604

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.45	9.00
%Net Income to Revenues	6.36	6.08
%Net Income to Equity	11.63	16.61
Shareholders' Equity	$157,193,000	$95,627,000

Molex Incorporated

2222 Wellington Court
Lisle, Illinois 60532
(312) 969-4550

Officers: John Krehbiel, chairman; John H. Krehbiel, Jr., president; Frederick Krehbiel, exec. v.p.; Herbert Pohlmann, Jr., v.p.-international operations; Kerry Krafthefer, v.p.-sales & marketing; Ronald L Schubel, v.p.-operations; Hideo Horikoshi, president-Moles Far Eastern Operations; Ronald Canaday, v.p.-finance, Louis A. Hecht, secretary & general counsel; John C. Psaltis, treasurer.

Directors: John H. Krehbiel, chairman; John H. Krehbiel, Jr., Frederick A. Krehbiel, Lewis E. Platt, Robert J. Potter.

Areas of Work: Engaged in the production and sale of connectors, terminals, inter-connection systems, switches and application equipment for electrical and electronic products. Also involved in the extrusion of plastics, the laminating of multi-conductor cable, the further processing (notching, slitting, cutting) of such cable and fabricating these into cable connector assemblies.

Subsidiaries:

Molex S.A. de C.V.
Molex Far East Services Ltd.
Molex Japan Co., Ltd.
Molex Singapore Pte., Ltd.
Molex Taiwan Ltd.
Taiwan Connections Ltd.
Molex Hong Kong Ltd.
Molex Electronics Ltd. (Canada)
Moles Electronica Ltda.
Molex European Services Ltd.
Molex Illinois S.A.
France Connexion S.A.

Molex Electronics Ltd. (U.K.)
Moles Italia S.p.A.
Moles G.m.b.H.
Molex Svenska A.B.
Molex (Benelux) B.V.

Transfer Agent(s):

American National Bank and Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOLX (NASDAQ)

Number of Employees:

1981	2,379	1978	1,700
1980	2,100	1977	1,350
1979	2,032		

Plant Footage:

1981	702,000 sq. ft.	1978	457,000
1980	622,000	1977	325,000
1979	501,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 143,013,603	$ 15,990,235
1980	121,523,387	14,844,981
1979	98,114,557	13,573,620
1978	71,818,852	8,980,355
1977	53,737,978	6,049,501

	No. of Com. Shares ‡	Earn. per Share ‡
1981	6,541,104	$ 2.44
1980	6,514,478	2.28
1979	6,485,402	2.09
1978	6,466,515	1.39
1977	6,474,143	0.93

‡ Based on average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.06	50%	—
1980	0.05	25%	—
1979	0.04	—	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1981	$ 80,011,142	$ 12.23
1980	62,753,621	9.63
1979	48,160,649	7.43
1978	34,722,218	5.37
1977	25,927,650	4.00

+ After allowing for preferred stock at par value.
‡ Based on the average number of common shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 143,013,603	$ 121,523,387
Cost of sales	75,610,177	66,053,619
Expenses	33,145,882	27,171,560
Other (expense) income	393,957	(888,837)
Income before taxes	$ 33,863,587	$ 29,187,045
Income taxes	17,800,000	14,159,000
Minority interest	73,352	183,064
Net Income	$ 15,990,235	$ 14,844,981

* Included in Costs and Expenses, Depreciation and Amortization: $7,881,339 in 1981 and $6,111,177 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 13,370,512	$ 9,032,128
Accts. receiv., net	35,170,443	31,280,439
*Inventories	15,367,138	16,834,476
Prepaid expenses	771,381	784,210
Cert. of deposit	13,268,985	5,789,049
Current Assets	$ 77,948,459	$ 63,720,302
#Fixed assets	37,464,356	30,043,446
Other assets	811,470	697,802
Total Assets	$ 116,224,285	$ 94,461,550

Liabilities

	1981	1980
Note payable	$ 857,703	$ 187,654
Long-term debt, curr.	473,701	422,828
Accts. payable	11,557,198	11,107,566
Accruals	2,568,266	2,375,199
Accrued payroll	3,408,954	2,083,071
Dividends payable	101,558	89,869
Income taxes	6,416,080	5,225,380
Accrued prof. sh. plan	830,224	1,354,953
Curr. Liabilities	$ 26,213,684	$ 22,846,520
Long-term debt	4,312,955	4,566,070
Deferred income	1,397,422	1,017,993
Deferred inc. taxes	2,807,133	2,046,482
Other deferred items	919,572	741,839
Minority interest	515,013	441,661
+ Preferred stock	47,364	47,364
+ + Class B common stock	4,793	4,793
+ + Common stock	324,276	213,547
Add. paid-in capital	3,849,865	2,259,813
Retained earnings	76,835,681	61,340,430
Def. unearned comp.	(1,003,473)	(867,712)
Treasury stock	—	(197,250)
Total Liabilities & Shareholders' Equity	$ 116,224,285	$ 94,461,550

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; 6% non-cumulative.
+ + $0.05 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	23.68	24.02
%Net Income to Sales	11.18	12.22
%Net Income to Equity	19.97	23.64
Sales to Inventories	9.31	7.22
Working Capital	$51,734,775	$40,873,782
Current Ratio	2.97	2.79
Shareholders' Equity	$80,058,506	$62,800,985

Monolithic Memories, Inc.

1165 East Arques Avenue
Sunnyvale, California 94086
(408) 739-3535

Officers: Zeev Drori, chairman of the board; Irwin Federman, president & chief executive officer; Michael J. Callahan, exec. v.p.; Thomas J. Branch, v.p. - sales; Kenneth W. Gates, v.p. - manufacturing support; Gordon L. Peterson, v.p. - marketing; William J. Wall, v.p. - finance; Larry W. Sonsini, secretary.

Directors: Zeev Drori, chairman; Irwin Federman, Larry W. Sonsini, Charles M. Blalack, Eugene Kleiner, Charles L. Lea, Jr., Robert C. Wilson.

Areas of Work: The corporation designs, manufactures and markets large-scale integrated semiconductor circuits.

Subsidiaries:

Monolithic Memories GmbH
Mauerkircherstrasse 4
8 Munich 80
West Germany

Monolithic Memories Limited
Lynwood House
1 Camp Road
Farnborough
Hampshire Gu 14 Gen
England

Monolithic Memories (France) SARL
8 Rue de l'Esterel
Silic 463
94613 Rungis Cedex
France

MMI-Japan KK
4-5-15 Sendagaya
Shibuya Ku
Tokyo 151
Japan

Monolithic Memories Malaysia Sdn. Bhd.
Post Office Box 201
Pulau Penang
Malaysia

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: (NASDAQ)

Number of Employees:

1981 2,241

Plant Footage:

1981 ...... 244,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 76,310,000	$ 6,968,000
1980	77,033,000	9,623,000
1979	36,776,000	(898,000)
1978	32,445,000	1,024,000
1977	23,433,000	1,150,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	6,523,000	$ 1.07
1980	5,360,000	1.80
1979	3,256,000	—
1978	3,938,000	0.26
1977	3,936,000	0.29

‡ Based on the weighted average number of common shares and common share equivalents outstanding fully diluted.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 50,286,000	$ 7.71
1980	40,171,000	7.49
1979	7,169,000 †	2.20
1978	6,203,000 †	1.58

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding fully diluted.

Income Account *

	9/27/81	9/28/80
Net sales	$ 76,310,000	$ 77,033,000
Cost of sales	47,476,000	42,525,000
Expenses:		
Res., develop., & engineering	5,889,000	4,001,000
Marketing	8,702,000	7,514,000
Gen. & adm.	5,966,000	6,133,000
Other expense (inc.)	(2,961,000)	550,000
Income before taxes	$ 11,238,000	$ 16,310,000
Income taxes	4,270,000	6,687,000
Net Income	$ 6,968,000	$ 9,623,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,014,000 in 1981 and $3,626,000 in 1980.

Monolithic Memories, Inc.

Assets

As at	9/27/81	9/28/80
Cash	$ 23,381,000	$ 32,848,000
Accts. receiv., net	9,296,000	13,399,000
*Inventories	11,283,000	8,012,000
Prepaid expenses	550,000	386,000
Prepaid inc. taxes	1,822,000	1,632,000
Current Assets	$ 46,332,000	$ 56,277,000
Cash held in trust	4,134,000	—
#Fixed assets	20,060,000	5,928,000
Leased equip. under cap. leases	4,657,000	6,967,000
Other assets	782,000	160,000
Total Assets	$ 75,965,000	$ 69,332,000

Liabilities

Notes payable to bank	$ 4,658,000	$ 948,000
Long-term debt, curr.	1,142,000	566,000
Oblig. under cap. leases, curr.	2,363,000	2,330,000
Accts. payable	3,797,000	5,629,000
Accrued payroll	1,504,000	1,301,000
Def. inc. on ship. to distr.	878,000	944,000
Income taxes payable	644,000	5,951,000
Other accrued liab.	2,274,000	2,522,000
Curr. Liabilities	$ 17,260,000	$ 20,191,000
Long-term debt	3,516,000	1,656,000
Oblig. under cap leases	2,364,000	4,697,000
Deferred inc. taxes	2,539,000	2,617,000
+ Common stock	253,000	244,000
Add. paid-in capital	32,586,000	30,054,000
Retained earnings	17,447,000	10,479,000
Notes receiv. from officers	—	(606,000)
Total Liabilities & Shareholders' Equity	$ 75,965,000	$ 69,332,000

* At lower of cost (average) or market; raw materials at cost (FIFO).

# Less accumulated depreciation and amortization.

+ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.73	21.17
%Net Income to Sales	9.13	12.49
%Net Income to Equity	13.86	23.96
Sales to Inventories	6.76	9.61
Working Capital	$29,072,000	$36,086,000
Current Ratio	2.68	2.79
Shareholders' Equity	$50,286,000	$40,171,000

Monsanto Company

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167
(314) 694-1000

Officers: John W. Hanley, chairman of the board & chief executive officer; Louis Fernandez, vice chairman of the board; Richard J. Mahoney, president; James J. Kerley, chairman of the finance committee; Francis J. Fitzgerald, Earle H. Harbison, Jr., Nicholas L. Reding, executive vice presidents; Robert L. Berra, Francis E. Reese, Howard A. Schneiderman, Monte C. Throdahl, senior vice presidents; Robert E. Burke, C. Preston Cunningham, Earle H. Harbison, Jr., Nicholas L. Reding, group v.p.'s; Richard W. Duesenberg, v.p., secretary & general counsel; Constantine E. Richard Anagnostopoulos, Alfred W. Andrews, Leonard A. Coh, Thomas L Gossage, S. Allen Heininger, Joseph T. Nolan, Sam Pickard, Robert G. Potter, Ernest S. Robson, Jr., vice presidents; John A. Rolls, treasurer; Michael F. Mee, controller.

Directors: John W. Hanley*, chairman; Edmond S. Bauer, Donald C. Carroll, C.R. Dahl, Richard I. Fricke, J.W. Fisher, Jean Mayer, Monte C. Throdahl, Stansfield Turner, Louis Fernandez*, Howard M. Love, Edward L. Palmer, Francis E. Reese, Buck Mickel, Richard J. Mahoney*, Margaret Bush Wilson*.

* Member of the Executive Committee.

Areas of Work: Primarily engaged in the development, manufacture and sale of chemicals; the Company's principal product groups include: man-made fibers; plastics, resins and coatings; fertilizers and crop-protection chemicals; phosphates and detergents; chemical intermediates, plasticizers and functional fluids; rubber chemicals, food ingredients and fine chemicals; heavy chemicals. Makes and markets pollution control equipment. In the electronics field, the Company manufactures silicon materials, semi-conductor materials, process controls, develops and produces power sources for the Atomic Energy Commission, space programs, the life sciences and oceanographic research.

Operating Units:

Monsanto Agricultural Products Company
Monsanto Industrial Chemicals Co.
Monsanto Chemical Intermediates Co.
Monsanto Plastics & Resins Co.
Monsanto Textiles Company
International Division

All headquartered at:

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167

Electronics & Related Subsidiaries:

Fisher Controls International Inc. (65.5% owned)
Manufactures and markets process measurement and control equipment.

Monsanto Enviro-Chem Systems, Inc.
Develops and markets engineered chemical facilities and pollution abatement systems.

Monsanto Research Corporation
Conducts research for government agencies and for Monsanto; produces nuclear sources; operates a government-owned laboratory for the Atomic Energy Commission.
Industrias Monsanto S.A.-Brazil
Manufactures rubber chemical, phosphates and process control equipment.

Radiation Dynamics, Inc.
Melville, New York
Involved in the field of electron beam processing; manufactures industrial process accelerators and medical radiation processing equipment.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific, Midwest

Ticker Symbol: MTC

Number of Employees:

1981	57,391	1978	62,851
1980	61,836	1977	61,519
1979	63,926		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 6,947,700	$ 445,100
1980	6,573,600	148,800
1979	6,192,600	331,000
1978	5,018,700	302,600
1977	4,594,500	275,600

	No. of Com. Shares	Earn. per Share #
1981	39,468,284	$ 11.50
1980	36,169,649	4.10
1979	36,031,168	9.11
1978	36,189,863	8.29
1977	36,300,000	7.46

# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Agricultural products	$ 1,216,700	$ 1,012,300
Industrial chemicals	1,623,600	1,577,600
Chemical intermediates	1,088,800	965,700
Plastics & resins	1,368,000	1,383,800
Textiles	1,014,200	1,041,100
Fisher Controls	636,400	593,100
Total	$ 6,947,700	$ 6,573,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.75	—	—
1980	3.55	—	—
1979	3.35	—	—
1978	3.175	—	—
1977	3.025	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 3,322,962	$ 82.07
1980	2,799,211	74.08
1979	2,770,253	76.88
1978	2,565,887	70.90
1977	2,381,095	66.16

‡ After allowing for preferred stock at voluntary liquidation value of $73 per share.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 6,947,700	$ 6,573,600
Cost of sales	5,300,800	5,476,000
Expenses	944,500	887,400
Oper. profit	$ 702,400	$ 210,200
Other income	91,500	107,300
Total	$ 793,900	$ 317,500
Interest expense	100,900	111,800
Income before taxes	$ 693,000	$ 205,700
Income taxes	247,900	56,900
Net Income	$ 445,100	$ 148,800

* Included in Costs and Expenses, Depreciation, Obsolescence and Depletion: $387,400 in 1981 and $546,900,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 81,800	$ 44,800
Marketable securities	344,300	165,800
Receiv., net	1,250,200	1,334,100
*Inventories	873,200	832,300
Current Assets	$ 2,549,500	$ 2,377,000
Investments & other assets	335,800	310,300
#Fixed assets	3,183,900	3,109,100
Total Assets	$ 6,069,200	$ 5,796,400

Liabilities
(000's)

Accounts payable	$ 492,300	$ 425,800
Wages & commissions	106,700	105,400
Income & other taxes	99,400	60,200
Misc. accruals	190,800	320,400
Short-term debt	174,700	238,800
Curr. Liabilities	$ 1,063,900	$ 1,150,600
Long-term debt	1,110,300	1,370,500
Other liabilities	30,100	26,300
Deferred inc. taxes	421,200	338,100
Minority interests	113,500	102,700
+ Preferred stock	200	300
+ + Common stock	79,900	73,900
Add. paid-in capital	853,500	651,800
Retained earnings	2,422,700	2,122,700
Treasury stock	(26,100)	(40,500)

Total Liabilities & Shareholders' Equity	$ 6,069,200	$ 5,796,400

* At lower of cost (domestic inventories at LIFO; all others at FIFO) or market.
# Less accumulated depreciation and depletion, etc.
+ No par value.
+ + $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.97	3.13
%Net Income to Sales	6.41	2.26
%Net Income to Equity	13.37	5.30
Sales to Inventories	7.96	7.90
Working Capital	$1,485,600,000	$1,226,400
Current Ratio	2.40	2.07
Shareholders' Equity	$3,330,200,000	$2,808,200,000

Moog Inc.

East Aurora, New York 14052
(716) 652-2000

Officers: William C. Moog, president & chairman; Jerald D. Bidlack, v.p. & pres.-International Controls; Frederick E.W. Pegler, v.p. & pres.-Hydra Point; Howard G. Martin, v.p.-finance; Richard A. Aubrecht, admin. v.p. & secretary; Robert T. Brady, Kenneth D. Garnjost, Joe C. Green, Daniel C. Clark, William J. Thayer, v.p.'s; Henry J. Ernst, treasurer.

Directors: William C. Moog, F.E.W. Pegler, Warren B. Cutting, Jane B. Moog, Kenneth J. McIlraith, Arthur S. Wolcott, William F. Milliken, Jr., John C. Goodell, Wesley T. Hanson, Jr., Richard A. Aubrecht, Robert F. Sykes.

Areas of Work: Manufactures advanced controls and control systems which utilize high performance servovalves for industrial and aerospace applications; manufactures numerically-controlled metalcutting machine tools and computer numerically-controlled machine tools throughout the world.

Divisions:

Controls Division
Manufactures electrohydraulic controls for the guidance systems of space boosters, missiles, and aircraft. For industrial markets, produces controls for machine tools, computer memory access systems, construction equipment, plastic molding equipment, and other process control systems.

Hydra-Point/Hydra-Point International
Manufactures numerically-controlled milling/drilling machines and computer numerically-controlled machine tools.

International Controls Division
Identifies and develops markets outside North America for precision control components and systems.

Subsidiaries:

Moog DISC Ltd.
East Aurora, New York

Moog GmbH
Boblingen, Germany
(7031) 20011

Moog Hydra-Point Ltd.
Cheltenham, England
53224

Moog Japan Ltd. (75% owned)
Hiratsuka, Japan

Moog S.a.r.L.
Rungis, France
686-7815

Moog Hydra-Point Canada, Ltd.
Canada

Moog Industrial Controls Corporation
New York

Moog S.R.L.
Italy

Moog Hydra-Point GmbH
Germany

Carleton Controls Corp.
Carleton Controls International Inc. (DISC)
East Aurora, New York
(716) 652-8100

Moog Controls Limited
United Kingdom

Moog do Brasil Controles Ltda.
Brazil

Moog Sweden A.B.
Sweden

Transfer Agent(s):

The Bradford Trust Company
Fort Lee Executive Park
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): American

Ticker Symbol: MOG

Number of Employees:

1981	2,924	1978	2,349
1980	2,730	1977	2,056
1979	2,501		

Plant Footage:

1981 . . . . . . 647,650 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1981	$ 155,140,000	$ 10,245,000
1980	135,300,000	6,781,000
1979	112,615,000	4,581,000
1978	92,233,000	3,300,000
1977	74,702,000	1,883,000

	No. of Com. Shares #	Earn. per Share #
1981	7,956,000	$ 1.29
1980	6,246,000	1.09
1979	5,687,000	0.81
1978	5,586,000	0.59
1977	5,586,000	0.34

+ Of continuing operations only.
Based on average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1981	1980
Controls	$ 104,735,000	$ 83,705,000
International Controls	27,741,000	27,590,000
Hydra-point	22,664,000	24,005,000
Total	$ 155,140,000	$ 135,300,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.200	—	—
1980	0.156	75% & 50%	—
1979	0.124	10% & 20%	—
1978	0.113	10%	3-for-2
1977	0.105	—	—

‡ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 74,167,000	$ 9.32
1980	41,169,000	6.59
1979	23,133,000	4.07

† Based on average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 155,140,000	$ 135,300,000
Other income	3,331,000	564,000
Total Income	$ 158,471,000	$ 135,864,000
Cost of sales	110,623,000	96,424,000
Expenses	27,682,000	22,926,000
Interest expense	6,092,000	4,922,000
Other charges	557,000	79,000
Loss (income) from currency trans.	(1,660,000)	143,000
Income before taxes	$ 15,177,000	$ 11,370,000
Income taxes	4,932,000	4,589,000
Net Income	$ 10,245,000	$ 6,781,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,122,000 in 1981 and $4,540,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 11,773,000	$ 5,500,000
Bank time depos.	23,500	—
Accts. receiv., ne.	34,239,000	29,768,000
*Inventories	47,591,000	35,486,000
Deferred inc. taxes	2,468,000	394,000
Prepaid expenses	639,000	744,000
Current Assets	$ 120,210,000	$ 71,892,000
#Fixed assets	52,013,000	37,730,000
Other assets	2,066,000	1,501,000
Total Assets	$ 174,289,000	$ 111,123,000

Liabilities

Notes payable	$ 3,653,000	$ 4,832,000
Long-term debt, curr.	2,708,000	2,249,000
Accts. payable	13,195,000	11,536,000
Accruals	4,434,000	3,662,000
Accrued payroll	10,872,000	8,156,000
Income taxes	1,808,000	3,161,000
Advances & progress billings in excess of related costs	6,014,000	5,799,000
Current Liabilities	$ 42,684,000	$ 39,395,000
Long-term debt	52,609,000	27,765,000
Pension obligation	1,059,000	1,059,000
Minority interest	642,000	302,000
Deferred credits	434,000	532,000
Deferred inc. taxes	2,694,000	901,000
+Common stock	8,636,000	7,706,000
Add. paid-in capital	41,957,000	18,356,000
Retained earnings	23,576,000	15,109,000
Treasury stock	(2,000)	(2,000)
Total Liabilities & Shareholders' Equity	$ 174,289,000	$ 111,123,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.78	8.40
%Net Income to Sales	6.60	5.01
%Net Income to Equity	13.81	16.47
Sales to Inventories	3.26	3.81
Working Capital	$77,526,000	$32,497,000
Current Ratio	2.82	1.82
Shareholders' Equity	$74,167,000	$41,169,000

Moore Products Co.

Sumneytown Pike
Spring House, Pennsylvania 19477
(215) 646-7400

Officers: Edwin G. Rorke, chairman of the board & president; Ralph H. Owens, senior v.p.; Robert B. Adams, v.p.-engineering; Richard J. Feher, v.p.-mfg.; George W. Tall, v.p.-sales; Hugh S. Wilson, v.p.-int'l operations; William J. Young, treasurer.

Moore Products Co.

Directors: Robert W. Buhner, James E. Gambrill, Thomas C. Moore, George E. Nehrbas, Edwin G. Rorke*, Walter G. Trumbower, Charles H. Welles III, Ralph H. Owens*, William J. Young*, James O. Moore, William B. Moore.

* Member of Executive Committee.

Areas of Work: Designs, manufactures and markets measurement and control equipment and systems for the process industries and dimensional measurement and control equipment for the bearing, automotive, and other hard good manufacturers. Researches and manufactures fluidic devices.

Subsidiaries:

Moore Instruments Ltd./Ltee.
Brampton, Ontario, Canada

Moore Products Co. (U.K.), Limited
East Molesey
Surrey, England

Moore Products de Mexico S.A. de C.V. (joint venture)
Av. Constituyentes 329
Mexico 18, D.F.

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MORP (NASDAQ)

Number of Employees:

1980	1,085	1977	617
1979	1,035	1976	617
1978	912		

Plant Footage:

1981	371,000 sq. ft.	1978	296,000
1980	296,000	1977	226,000
1979	296,000		

Sales and Earnings †

	Net Sales	Net Income
1981	$ 64,555,000	$ 6,002,000
1980	57,122,000	4,903,000
1979	48,329,000	5,621,000
1978	38,536,000	4,209,000
1977	32,625,000	3,524,000

	No. of Com. Shares	Earn. per Share ‡
1981	2,061,642	$ 2.93
1980	2,041,575	2.41
1979	2,027,978	2.79
1978	2,008,948	2.11
1977	1,989,353	1.78

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translations.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.78	—	—
1979	0.69	—	—
1978	0.60	—	—
1977	0.51	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$ 36,586,000	$ 17.75
1980	32,541,000	15.94
1979	28,682,000	14.14
1978	23,811,000	11.85
1977	20,606,000	10.36

† Restated.
‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 64,555	$ 57,122
Cost of sales	28,693	26,540
Expenses	26,283	21,803
Other income	(1,606)	(690)
Income before taxes	$ 11,185	$ 9,469
Income taxes	5,183	4,566
Net Income	$ 6,002	$ 4,903

‡ Restated.
* Included in Costs and Expenses, Depreciation: $1,164,000 in 1981 and $1,062,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & investments	$ 10,677	$ 6,094
Accts. receiv., net	8,929	6,900
*Inventories	15,874	18,096
Prepaid expenses	134	170
Current Assets	$ 35,614	$ 31,260
#Fixed assets	9,237	7,130
Other assets	58	65
Total Assets	$ 44,909	$ 38,455

Liabilities
(000's)

Accounts payable	$ 1,562	$ 1,105
Accruals	4,502	3,243
Adv. from cust.	1,015	139
Income taxes	868	1,251
Curr. Liabilities	$ 7,947	$ 5,738
Def. inc. taxes	200	—
+ Preferred stock	176	176
+ + Common stock	2,062	2,042
Add. paid-in capital	2,706	2,227
Retained earnings	32,368	28,008
For. curr. trans. adjust.	(550)	264
Total Liabilities & Shareholders' Equity	$ 44,909	$ 38,455

‡ Restated.
* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value, 5% cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.33	16.58
%Net Income to Sales	9.30	8.58
%Net Income to Equity	16.33	14.99
Sales to Inventories	4.07	3.16
Working Capital	$27,667,000	$25,522,000
Current Ratio	4.48	5.45
Shareholders' Equity	$36,762,000	$32,717,000

Motorola, Inc.

Motorola Center
1303 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-5000

Officers: Robert W. Galvin, chairman of the board & chief executive officer; William J. Weisz, vice chairman & chief operating officer; John F. Mitchell, president & asst. chief operating officer; Stephen L. Levy, sr. v.p.-Japanese operations; Joseph F. Miller, Jr., sr. v.p. & asst. to the chief executive officer; Ralph W. Elsner, v.p. & deputy to the chief executive officer; Levy Katzir, v.p. & gen. mgr.-new enterprises; John T. Hickey, sr. v.p. & chief financial officer; Donald R. Jones, v.p. & asst. to the chief financial officer; Kenneth J. Johnson, v.p. & controller; William P. Meehan, v.p. & treasurer; Richard H. Weise, v.p., general counsel & secretary; John R. Welty, sr. v.p. & chief coporate staff officer; Martine Cooper, v.p. & corp. director of research & development; L. Curtis Foster, v.p. & dir.-engineering; Jack Germain, v.p. & dir-quality; Earl R. Gomersall, v.p. & dir.-operational support; R. James Harring, v.p. & corp. director-planning; C. Travis Marshall, v.p.-government relations; Vincent J. Rauner, v.p.-patents, trademarks & licensing; Robert N. Swift, v.p. & dir. of personnel; James D. Burge, v.p. & dir.-personnel, U.S.; James Donnelly, v.p. & dir-personnel, international; Rhesa S. Farmer, Jr., sr. v.p. & gen. mgr.-Communications Sector; Gary L. Tooker, v.p. & general manager-Semiconductor Products Sector; Arthur Carr, v.p. & gen. mgr.-Information Systems Group; Carl E. Lindholm, sr. v.p. & gen. mgr.-Automotive & Industrial Electronics Group; James R. Lincicome, v.p. & gen. mgr.-Government Electronics Group.

Directors: Robert W. Galvin, Walter B. Scott, William J. Weisz, John F. Mitchell, Arthur C. Nielson, Jr., Elmer H. Schulz, Stephen L. Levy, Homer L. Marrs, B. Kenneth West, James W. Birkenstock, John T. Hickey, John J. Antalek, William G. Salatich, M. Joseph Lambert, Charlotte T. Reid, Gardiner L. Tucker.

Areas of Work: Engaged in the development, manufacture and sale of semiconductor devices, automotive electronics products, radio communications systems, microwave instrumentation, command, control and monitoring systems, and advanced electronic systems and equipment for the United States government. New ventures and other businesses include training and educational films; hotel/motel and medical group practitioner electronic management communications, and entertainment systems; microprocessor test equipment; information display systems; industrial process controls; ferrite and iron core components; electronic musical instruments and tuning equipment; CRT displays for computer peripheral, coin-operated electronic games and closed circuit TV applications.

Divisions:

Automotive and Industrial Electronics Group
1299 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-8000

Products include alternator charging systems, solid state ignition systems, electronic instrumentation and engine control modules.

Communications Sector
1301 East Algonquin Road
Schaumburg, Illinois 60916
(312) 397-1000

Mobile and portable FM two-way radio communications systems, radio paging systems, communications control centers, mobile data communications systems, fiber optics, signaling and remote control systems, precision instruments, component products, health care communications systems, and electronic command and control systems.

Communications Distribution Division
Communications International Division
Communications Products Division
Communications Systems Division

Semiconductor Products Sector
5005 East McDowell Road
Phoenix, Arizona 85008
(602) 244-6900

MOS and bipolar integrated circuits; power and small signal transistors; thyristors, varactors, zener and tuning diodes; functional circuits, optoelectronics, semiconductor chips, RF modules, microwave devices, triggers, suppressors, liquid crystal displays (LCDs).

Discrete Semiconductor Division
Integrated Circuit Division

Government Electronics Group
8201 East McDowell Road
Scottsdale, Arizona 85252
(602) 949-3033

Products include radar surveillance and display systems, positioning and navigation systems, fixed and satellite communications systems, tactical electronics systems, space communications systems, countermeasure systems, tropscatter communications, missile guidance and drone systems, missile and aircraft instrumentation, and secure communications.

Data Communications
Manufactures data security equipment, modems, and network control systems.

Subsidiaries:

Motorola Teleprograms, Inc.
4825 North Scott, Suite 26
Schiller Park, Illinois 60176
(312) 671-1565

Motorola Communications and Electronics, Inc.
1301 Algonquin Road
Schaumburg, Illinois 60172
(312) 397-1000

Motorola Semiconductor Products, Inc.
5005 East McDowell Road
Phoenix, Arizona 85008
(602) 273-6900

Motorola Military and Aerospace Electronics Inc.
8201 East McDowell Road
Scottsdale, Arizona 85252
(602) 949-3033

Motorola New Venture Lab.
3034 Malmo Drive
Arlington Heights, Illinois 60005
(312) 593-8280

Communications Systems, Inc.
663 Kakoi Street
Honolulu, Hawaii 96819
(808) 841-7336

Codex Corporation
15 Riverdale Avenue
Newton, Massachusetts 02195
(617) 969-0600

Motorola Communications International Inc.
1301 Algonquin Road
Schaumburg, Illinois 60172
(312) 397-1000

Motorola Systems, Inc.
9950 West Lawrence Avenue
Schiller Park, Illinois 60176
(312) 671-1565

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Citibank, N.A.
111 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: MOT

Number of Employees:

1981	76,300	1978	68,000
1980	71,500	1977	60,000
1979	75,000		

Sales and Earnings †

	Net Sales + (000's)	Net Income (000's)
1981	$ 3,335,868	$ 174,990
1980	3,086,439	186,081
1979	2,700,063	154,296
1978	2,211,601	125,182
1977	1,849,713	106,951

	No. of Com. Shares #	Earn. per Share #
1981	31,489,000	$ 5.56
1980	31,244,000	5.96
1979	31,112,000	4.96
1978	31,019,000	4.04
1977	30,933,000	3.46

† Restated to reflect change in accounting for interest income.
+ Includes other revenue.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Communications products	$ 1,422,280	$ 1,256,521
Semiconductor products	1,278,047	1,208,742
Other products	718,074	688,407
Eliminations	(82,533)	(67,271)
Total	$ 3,335,868	$ 3,086,439

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.60	—	—
1980	1.45	—	—
1979	1.25	—	—
1978	1.05	—	—
1977	0.88	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 1,288,012	$ 40.90
1980	1,151,959	36.87
1979	1,003,876	32.27
1978	885,538	28.55
1977	788,044	25.48

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales & other revenues	$ 3,335,868	$ 3,086,439
Cost of sales	2,028,431	1,845,111
Expenses	855,022	772,788
Depreciation	173,123	144,790
Interest expense	27,508	36,664
Special charge	—	13,031
Income before taxes	$ 251,784	$ 274,055
Income taxes	76,794	87,974
Net Income	$ 174,990	$ 186,081

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term investments	$ 121,017	$ 104,795
Accts. receiv., net	516,007	488,247
Future tax benefits	74,218	62,712
*Inventories	611,137	538,139
Other assets	70,273	73,864
Current Assets	$ 1,392,652	$ 1,267,757
#Fixed assets	978,133	813,620
Sundry assets	28,614	30,584
Total Assets	$ 2,399,399	$ 2,111,961

Liabilities
(000's)

	1981	1980
Long-term debt,curr.	$ 5,484	$ 4,767
Notes payable	16,936	—
Accts. payable	237,901	216,968
Accruals	292,995	254,147
Income taxes	66,637	48,959
Curr. Liabilities	$ 619,953	$ 524,841
Long-term debt	352,092	335,748
Other liabilities	139,342	99,413
+ Common stock	94,698	94,066
Add. paid-in capital	176,705	165,853
Retained earnings	1,016,809	892,040
Total Liabilities & Shareholders' Equity	$ 2,399,399	$ 2,111,961

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.55	8.88
%Net Income to Sales	5.25	6.01
%Net Income to Equity	13.59	16.15
Working Capital	$ 772,699,000	$ 742,916,000
Current Ratio	2.25	2.42
Shareholders' Equity	$1,288,012,000	$1,151,959,000

MSI Data Corporation

340 Fischer Avenue
Costa Mesa, California 92626
(714) 549-6000

Mailing address:

P.O. Box 11466
Santa Ana, California 92711

Officers: William J. Bowers, chairman of the board & chief executive officer; Donald F. Brosnan, president & chief operating officer; Murray N. Robinson, v.p.-operations; Charles R. Bush, v.p.-program management; Peter S. Weinreb, v.p.-European Operations; Richard S. Rager, v.p.-engineering; Charles E. Butler, v.p.-finance & admin.; Frederick N. Fortier, treasurer; Carol Gillespie, secretary.

Directors: William J. Bowers, Donald F. Brosnan, Morton Collins, John C. Martin, John A. Karsten, Harvey Klein.

Areas of Work: Designs, manufactures, sells and services electronic source data entry systems, designed for use in the collection of business information.

Subsidiaries:

MSI Data International
I.V.C. Building
10 Portman Road
Reading, Berkshire
RG3 1JR, England

MSI France S.A.R.L.
7 Rue Des Solets
SILIC-426
94583-Rungis Cedex, France

MSI Data International
MSI-DISC, Inc.
340 Fischer Avenue
Costa Mesa, California 92627
(714) 540-6600

MSI Data GmbH
Horbellerstrasse 10-14
D-5000 Cologne 40
West Germany

MSI Data Italia S.R.L.
Via Cristoforo Colombo, 49
Trezzano S. Naviglio 20090
Milan, Italy

MSI Data International
255 Avenue Louise
BTE10
1050 Brussels
Belgium

Transfer Agent(s):

First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: MSI

Number of Employees:

1980	869	1977	807
1979	869	1976	741
1978	869		

Plant Footage:

1980	102,400 sq. ft.	1977	102,400
1979	102,400	1976	102,400
1978	102,400		

MSI Data Corporation

Sales and Earnings †

	Revenues +	Net Income ‡
1982	$ 55,338,000	$ 4,569,000
1981	55,616,000	3,473,000
1980	45,427,000	2,649,000
1979*	42,913,000	3,369,000
1978	38,504,000	3,654,000

	No. of Com. Shares #	Earn. per Share # ‡
1981	2,446,137	$ 1.87
1981	2,335,215	1.49
1980	2,279,859	1.16
1979	2,318,046	1.45
1978	2,243,554	1.63

† Restated to include operations of companies acquired on a pooling of interests basis.
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gain of $470,000 ($0.21 per share) in 1979.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.40	—	—
1981	0.40	—	—
1980	0.40	—	—
1979	0.40	—	—
1978	0.28	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1982	$ 23,137,000	$ 9.46
1981	19,162,612	8.21
1980	15,990,821	7.01
1979	15,793,098	6.81
1978	14,431,729	6.43

‡ Restated to include operations of companies acquired on a pooling of interest basis.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	3/27/82	3/28/81
Revenues	$ 55,338,000	$ 42,912,000
Cost of sales	25,238,000	29,344,000
Expenses	21,978,000	19,610,000
Interest income	(302,000)	(24,000)
Income before taxes	$ 8,424,000	$ 6,683,000
Income taxes	3,855,000	3,210,000
Inc.-cont. oper.	$ 4,569,000	$ 3,473,000
Gain-discont. oper.	211,000	—
Net Income	$ 4,780,000	$ 3,473,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,467,362 in 1982 and $1,046,000 in 1980.
‡ Restated to include operations of companies acquired on a pooling of interests basis.

Assets

As of	3/27/82	3/28/81 ‡
Cash	$ 5,412,000	$ 6,192,000
Accts. receiv., net	13,264,000	15,138,000
*Inventories	7,652,000	6,422,000
Prepaid expenses	685,000	762,000
Current Assets	$ 27,013,000	$ 28,514,000
#Fixed assets	5,187,000	4,910,000
Other assets	219,000	149,000
Total Assets	$ 32,419,000	$ 33,573,000

Liabilities

Notes payable	$ 886,000	$ 3,386,000
Accts. payable	1,523,000	3,073,000
Accruals	2,677,000	2,920,000
Income taxes	1,678,000	2,444,000
Est. liab.-discont. oper.	—	393,000
Other liabilities	1,502,000	1,158,000
Curr. liabilities	$ 8,266,000	$ 13,374,000
Mortgage payable	507,000	522,000
Deferred inc. taxes	77,000	285,000
Deferred revenues & other liab.	432,000	229,000
+Common stock	2,407,000	2,350,000
Add. paid-in capital	5,997,000	5,586,000
Retained earnings	15,048,000	11,227,000
Foreign currency trans.	(315,000)	—
Total Liabilities & Shareholders' Equity	$ 32,419,000	$ 33,573,000

‡ Restated.
* At cost (FIFO) which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $1.00 par value.

Statistical Summary

%Income before taxes to Sales	15.22	15.57
%Income to Sales	8.64	8.09
%Net Income to Equity	20.65	18.12
Working Capital	$18,747,000	$15,140,000
Current Ratio	3.27	2.13
Shareholders' Equity	$23,137,000	$19,163,000

MSI Electronics Inc.

34-32 57th Street
Woodside, New York 11377
(212) 672-6500

Officers: A. Lederman, president & chairman of the board; Dominick Scaringella, vice president & secretary-treasurer.

Directors: T.R. Bashkow, A. Lederman, D. Scaringella, C. Shalman.

Areas of Work: Voltage variable capacitor diodes, semiconductor components and instruments, and test instruments.

Transfer Agent(s):

Continental Stock Transfer Co.
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 20

Plant Footage:

1981 . . . . 6,200 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 1,488,649	$ 231,733
1980	1,732,379	264,077
1979	1,081,878	219,584
1978	778,070	116,736
1977	716,801	124,102

	No. of Com. Shares	Earn. per Shares ‡
1981	513,350	$ 0.45
1980	513,350	0.51
1979	513,350	0.43
1978	513,350	0.23
1977	513,350	0.24

‡ Including extraordinary charge of $59,289 ($0.12 per share) in 1978.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,412,736	$ 2.75
1980	1,181,003	2.30
1979	916,926	1.79
1978	697,342	1.36
1977	580,606	1.13

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 1,488,649	$ 1,372,379
Cost of sales	645,185	505,730
Expenses	535,922	518,924
Interest & dividend income	(104,598)	(76,121)
Depreciation	45,638	36,178
Income before taxes	$ 366,502	$ 387,668
Income taxes	134,769	123,591
Net Income	$ 231,733	$ 264,077

Assets

As of Sept. 30	1981	1980
Cash	$ 206,414	$ 162,375
Treasury notes	455,796	198,057
Accts. receiv., net	367,442	331,634
Marketable securities	75,964	98,382
Interest receiv.	18,940	11,709
*Inventories	205,040	214,328
Prepaid expenses	3,851	4,350
Priv. Exp. Fund. Co. Notes	77,072	77,072
Certificates of deposit	370,000	456,351
Current Assets	$ 1,780,519	$ 1,554,258
#Fixed assets	137,707	118,513
Other assets	2,000	1,875
Total assets	$ 1,920,226	$ 1,674,646

Liabilities

Accts. payable	$ 401,828	$ 371,235
Income taxes	105,662	122,408
Curr. Liabilities	$ 507,490	$ 493,643
+Common stock	15,401	15,401
Add. paid-in capital	426,104	426,104
Retained earnings	971,231	739,498
Total Liabilities & Shareholders' Equity	$ 1,920,226	$ 1,674,646

* At lower of cost or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

%Income bef. Taxes to Sales	24.62	28.25
%Net Income to Sales	15.57	19.24
%Net Income to Equity	16.40	22.36
Sales to Inventories	7.26	6.40
Working Capital	$1,273,029	$1,060,615
Current Ratio	3.51	3.15
Shareholders' Equity	$1,412,736	$1,181,003

MTS Systems Corporation

8055 Mitchell Road
Eden Prairie, Minnesota 55344

Mailing Address:

P.O. Box 24012
Minneapolis, Minnesota 55424
(612) 937-4000

Officers: George N. Butzow, president; Donald M. Sullivan, exec. v.p.; Marshall L. Carpenter, v.p. & treasurer; Gerald M. Beutler, v.p.-international operations; Richard W. Clark, Milan L. Sebek, v.p.'s; Keith D. Zell, v.p.-prod. group; William T. Dolan, secretary.

Directors: Charles A. Brickman, George N. Butzow, Thomas E. Holloran, E. Thomas Binger, Thomas Stelson.

Areas of Work: Designs, manufactures and markets electronic instruments and software products also hydraulic devices such as high-technology fluid power systems used in basic scientific research on materials, in the evaluation of new products, for production line quality control and for material forming manufacturing.

Subsidiaries:

MTS Systems GmbH
Potsdamer Str. 23/24
1 Berlin 37
West Berlin

MTS (Japan) Ltd.
4-8-13 Kudan Minami
Chiyoda-Ku, Tokyo T102
Japan

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Minneapolis, Minnesota 55440

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTSC (NASDAQ)

Number of Employees:

1981	851	1978	735
1980	894	1977	648
1979	812		

Plant Footage:

1981	200,000 sq. ft.	1978	200,000
1980	200,000	1977	150,000
1979	200,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 64,852,000	$ 3,543,000
1980	67,151,000	4,739,000
1979	55,807,477	4,490,403
1978	44,960,472	3,542,516
1977	31,759,735	2,990,601

	No. of Com. Shares #	Earn. per Share #
1981	1,736,000	$ 2.41
1980	1,722,859	2.75
1979	1,697,725	2.64
1978	1,690,592	2.10
1977	1,671,000	1.80

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.32	—	—
1980	0.31	—	—
1979	0.25	—	—
1978	0.20	—	—
1977	0.12	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 29,056,000	$16.75
1980	25,136,000	14.73
1979	20,467,915	12.19
1978	16,382,657	9.77
1977	13,146,333	7.89

+ Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 64,852,000	$ 67,151,000
Cost of sales	38,881,000	39,121,000
Expenses	18,064,000	18,367,000
Prof.sh. plan	1,093,000	1,174,000
Interest expense	1,171,000	1,516,000
Other income	(379,000)	(543,000)
Income before taxes	$ 6,022,000	$ 7,516,000
Income taxes	2,479,000	2,777,000
Income before gain	$ 3,543,000	$ 4,739,000
Gain on cont. sale	644,000	—
Net Income	$ 4,187,000	$ 4,739,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,344,000 in 1981 and $869,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 1,621,000	$ 2,232,000
Interest bearing invest.	7,350,000	3,000,000
Accts. receiv., net	20,553,000	18,798,000
*Inventories	18,686,000	20,896,000
Prepaid expenses	551,000	520,000
Current Assets	$ 48,761,000	$ 45,446,000
#Fixed assets	18,133,000	16,875,000
Other assets	345,000	330,000
Total Assets	$ 67,239,000	$ 62,651,000

Liabilities

Notes payable	$ 2,760,000	$ 2,853,000
Long-term debt, curr.	427,000	505,000
Accts. payable	2,335,000	3,225,000
Accruals	4,997,000	4,973,000
Advance billings	2,700,000	2,091,000
Income taxes	8,865,000	7,770,000
Cur. Liabilities	$ 22,084,000	$ 21,417,000
Long-term debt	14,996,000	15,218,000
Deferred inc. taxes	1,103,000	880,000
+Common stock	434,000	427,000
Add. paid-in capital	3,536,000	3,122,000
Retained earnings	25,086,000	21,587,000
Total Liabilities & Shareholders' Equity	$ 67,239,000	$ 62,651,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 per value.

Statistical Summary

%Income bef. Taxes to Sales	9.29	11.19
%Net Income to Sales	6.46	7.06
%Net Income to Equity	14.41	18.85
Sales to Inventories	3.47	3.21
Working Capital	$26,677,000	$24,029,000
Current Ratio	2.21	2.12
Shareholders' Equity	$29,056,000	$25,136,000

Mylee Digital Sciences, Inc.

155 Weldon Parkway
Maryland Heights, Missouri 63043
(314) 567-3420

Officers: James R. Moog, chairman of the board & president; Hubert C. Moog, secretary-treasurer; Dennis M. Buchheit, v.p.- operations; Thomas A. Fischer, v.p.- marketing.

Directors: Harold B. Abrams, Hubert C. Moog, James R. Moog.

Areas of Work: Engaged in the design, development, assembly and sale of data storage and retrieval systems for inventory control management, and in the maintenance and service of such systems.

Subsidiaries:

Mylee International, Ltd. (DISC)
Ladue Leasing Company

Transfer Agent(s):

Mercantile Trust Co. (Debentures)
721 Locust Street
St. Louis, Missouri 63101

Mylee Digital Sciences, Inc. (Common stock)
155 Weldon Parkway
Maryland Heights, Missouri 63043

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	62	1977	75
1979	70	1976	75
1978	75		

Plant Footage:

1980	12,992 sq. ft.	1977	12,992
1979	12,992	1976	12,992
1978	12,992		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 2,502,916	$ (828,090)
1980	2,472,700	(346,455)
1979	3,168,082	(161,609)
1978	3,180,499	43,291
1977	3,349,866	85,206

	No. of Com. Shares †	Earn. per Share †
1981	2,561,153	$ —
1980	1,312,311	—
1979	1,254,025	—
1978	1,254,025	0.03
1977	1,248,898	0.07

(Loss)
+ Includes service income.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ (344,922)	$ —
1980	464,160	0.35
1979	485,615	0.39
1978	647,224	0.52
1977	603,933	0.48

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Oct. 31	1981	1980
Revenues	$ 2,502.916	$ 2,472,700
Cost of sales	1,227.396	1,062,021
Commissions	254.916	327,377
Expenses	1,799,069	1,416,769
Interest expense	65,173	45,657
Other income	(15,548)	(32,669)
Net Loss	$ (828,090)	$ (346,455)

* Included in Costs and Expenses, Depreciation: $91,177 in 1981 and $95,161 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 9,138	$ 63,569
Accts. receiv., net	448,756	468,717
Contracts receiv.	17,370	19,202
*Inventories	660,722	528,940
Prepaid expenses	19,299	11,144
Current Assets	$ 1,155,285	$ 1,091,572
#Fixed assets	150,961	140,010
Contr. receiv. on leased equip.	35,982	54,139
Other assets	—	7,665
Total Assets	$ 1,342,228	$ 1,293,386

Liabilities

Notes payable	$ 806,107	$ 1,322
Long-term debt, curr.	130,154	9,753
Accts. payable	121,328	83,116
Commissions payable	64,310	128,688
Accruals	273,700	108,523
Other	221,650	269,023

Curr. Liabilities	$	1,617,249	$	580,425
Long-term debt		68,229		215,566
Deferred compensation		1,672		33,235
+Common stock		513,530		497,504
Common stock subscribed		—		226,400
Add. paid-in capital		229,382		—
Retained earnings (deficit)		(1,075,992)		(247,902)
Treasury stock		(11,842)		(11,842)
Total Liabilities & Shareholders' Equity	$	1,342,228	$	1,293,386

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.283 par value.

Statistical Summary

Working Capital	—	$511,147
Current Ratio	—	1.88
Shareholders' Equity (Deficiency)	$(344,922)	$464,160

Napco Security Systems, Inc.

6 DiTomas Court
Copiague, New York 11726
(516) 842-9400

Officers: Richard Soloway, chairman; Kenneth Rosenberg, president; Roy Stockdale, v.p.-engineering; Frank Dale, v.p.-sales.

Directors: Richard Soloway, chairman; Kenneth Rosenberg, Roy Stockdale.

Areas of Work: Manufactures electronic burglar and fire alarms and devices. Products include commercial and residential control panels, telephone dialers, sirens, passive infrared detection systems, shock processors, and wireless alarm systems.

Subsidiaries:

E.E. Electric Components
Raltech Logic, Inc. (80% owned)
Napco Security Systems International, Inc. (DISC)
Napco Security Systems Florida, Inc.
UMI Manufacturing Corp.

Transfer Agent(s):

Continental Stock Transfer
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSSC (NASDAQ)

Number of Employees:

1981 . . . . . . 133 1980 133

Plant Footage:

1981 . . . . . . 28,500 sq. ft. 1980 28,500

Sales and Earnings

		Net Sales		Net Income
1981	$	9,302,814	$	1,003,347
1980		7,684,257		209,964
1979		4,649,054		75,287
1978		3,424,754		51,486
1977		3,127,010		46,716

	No. of Com. Shares	Earn. per Share #
1981	1,253,220	$ 0.78
1980	304,600	0.17
1979	304,600	0.06
1978	304,600	0.04
1977	305,100	0.04

#Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	100% & 100%	—

Common Stock Equity

		Total Equity	Equity Per Share‡
1981	$	2,345,801	$ 1.80
1980		1,317,449	1.01
1979		1,107,485	0.91
1978		1,032,198	0.85
1977		981,463	0.81

‡Adjusted to reflect stock dividends.

Income Account *

Year ended June 30		1981		1980
Net sales	$	9,302,814	$	7,684,257
Cost of sales		5,816,412		5,880,843
Expenses		1,671,284		1,335,162
Interest income		(36,201)		(20,856)
Interest expense		8,742		72,513
Other income		(5,761)		—
Loss on sale of equip. & prop.		—		44,195
Income before taxes	$	1,848,338	$	372,400
Income taxes		821,124		148,456
Minority interest		23,867		13,980
Net Income	$	1,003,347	$	209,964

*Included in Costs and Expenses, Depreciation: $87,543 in 1981 and $54,114 in 1980.

Assets

As of June 30		1981		1980
Cash	$	610,440	$	192,522
Investment		103,466		104,176
Accts. receiv., net		1,180,330		865,642
*Inventories		1,907,330		1,002,225
Prepaid expenses		73,183		47,472
Current Assets	$	3,874,749	$	2,212,037
#Fixed assets		305,142		275,481
Other assets		24,707		17,013
Total Assets	$	4,204,598	$	2,504,531

Liabilities

Long-term debt, curr.	$	21,654	$	23,613
Accts. payable		820,845		750,745
Accrued payroll		213,139		140,777
Income taxes		576,095		78,658
Other accruals		98,901		78,343
Deferred inc. taxes		8,037		7,534
Curr. Liabilities	$	1,738,671	$	1,079,670
Long-term debt		37,083		54,633
Deferred inc. taxes		41,720		35,323
Minority interest		41,323		17,456
+Common stock		17,352		4,251
Add. paid-in capital		652,751		640,847
Retained earnings		1,676,903		673,556
Treasury stock		(1,205)		(1,205)
Total Liabilities & Shareholders' Equity	$	4,204,598	$	2,504,531

*At lower of cost (LIFO) or market.
#Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.87	4.85
%Net Income to Sales	10.79	2.73
%Net Income to Equity	42.77	15.94
Sales to Inventories	4.88	7.67
Working Capital	$2,136,078	$1,132,367
Current Ratio	2.23	2.05
Shareholders' Equity	$2,345,801	$1,317,449

Narco Scientific, Inc.

455 Pennsylvania Avenue
Suite 230
Fort Washington, Pennsylvania 19034
(215) 641-5800

Officers: E. Rudy Garfield, chairman of the board & chief executive officer; Aldo J. DeFrancesco, president & chief operating officer; Laurence P. Finnegan, Jr., sr. v.p.-domestic operations; Michael F. Doyle, v.p. & corp. controller & chief financial officer; Edward A. France, Jr., v.p.-human resources; Frederick A. Van Denbergh, Jr., secretary; James W. Schwartz, asst. secretary; James J. Tuite, treasurer.

Directors: E. Rudy Garfield*, chairman; Aldo J. DeFrancesco, Frederick A. Van Denbergh, Jr.*, Lewis W. Bluemle, Jr., Lewis E. Hatch, Jr., Robert M. Wachob, David B. Smith*, Robert C. Williams, Thomas W. Langfitt, R. Anderson Pew.

* Member of Executive Committee.

Areas of Work: Manufacturer of medical equipment and devices.

Divisions and Subsidiaries:

Narco/Air-Shields Division
Hatboro, Pennsylvania
Medical equipment and related disposables for perinatal care, intensive care, and anesthesiology.

Narco Scientific Europe
Shannon, Ireland
Medical diagnostic products, infant care and other medical equipment.

Narco Scientific Pilling Division
Fort Washington, Pennsylvania 19034
Produces and markets surgical instruments and operating room equipment.

Lejeune, Seitz & Ameline
Paris, France
Distributor of medical equipment and disposables.

Narco Bio-Systems Division
Houston, Texas 77017
Life sciences teaching and research equipment and clinical blood flow instrumentation.

Narco Scientific Telecare Division
Houston, Texas 77099
Emergency medical care equipment and blood pressure transducers.

Narco Scientific International
Huntingdon Valley, Pennsylvania 19006
Export sales group for all health care operations.

Narco Medical Services
Toronto, Ontario, Canada
Distributor of medical equipment and disposables.

Narco Scientific
Minneapolis, Minnesota 55435
Distributor of hospital equipment and disposables.

Affiliates:

Panem Ltda. (30% owned)
Sao Paulo, Brazil
Manufacturer and distributor of medical instruments and laboratory products.

Air-Shields Japan Co., Ltd. (50% owned)
Yokohama, Japan
Distributor of infant care equipment.

Narcomed S.A. (40% owned)
Mexico City, Mexico
Manufacturer of medical equipment.

Air-Shields South Africa (Pty) Ltd. (24% owned)
Republic of South Africa
Manufacturer and distributor of medical equipment.

Transfer Agent(s):

Girard Bank
1 Girard Plaza
Philadelphia, Pennsylvania 19101

Stock Exchange(s): New York

Ticker Symbol: NAO

Number of Employees:

1981	1,018	1978	912
1980	1,070	1977	1,707
1979	1,061		

Plant Footage:

1981 . . . . . . 295,150 sq. ft.

Sales and Earnings †

	Net Sales +	Net Income
1981	$ 71,806,000	$ 2,575,000
1980	69,494,000	(4,355,000)
1979	55,299,000	(113,000)
1978	49,416,000	3,596,000
1977	41,284,000	3,359,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,835,000	$ 1.41
1980	1,832,000	—
1979	1,826,000	—
1978	1,803,000	1.99
1977	1,759,000	1.91

(Loss)

† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.

+ Of continuing operations only.

‡ Based on weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.68	—	—
1980	0.68	—	—
1979	0.68	—	—
1978	0.68	—	—
1977	0.62	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 27,376,000	$ 14.92
1980	26,620,000	14.53
1979	32,971,000	18.06
1978	33,859,000	18.78
1977	31,145,000	17.71

‡ Restated.

Income Account *

Year ended Nov. 30	1981	1980 ‡
Net sales	$ 71,806,000	$ 69,494,000
Cost of sales	39,458,000	41,126,000
Expenses	24,888,000	23,135,000
Research & devel.	1,716,000	1,735,000
Depreciation & amortization	1,025,000	918,000
Interest expense	2,813,000	2,402,000
Other income	(1,690,000)	(844,000)
Income before taxes	$ 3,596,000	$ 1,022,000
Income taxes	1,142,000	337,000
Inc.-cont. oper.	$ 2,454,000	$ 685,000
Inc. (loss)-discont.oper.	121,000	(5,040,000)
Net Income (Loss)	$ 2,575,000	$ (4,355,000)

‡ Restated.

Assets

As of Nov. 30	1981	1980 ‡
Cash	$ 893,000	$ 648,000
Accts. receiv., net	15,287,000	16,961,000
Notes receiv.	2,913,000	538,000
*Inventories	18,041,000	17,506,000
Prepaid expenses	1,306,000	1,025,000
Refundable taxes	—	1,879,000
Inc. tax prepay.	1,779,000	1,997,000
Current Assets	$ 40,219,000	$ 40,554,000
Notes receiv.	4,121,000	5,758,000
#Fixed assets	9,162,000	8,591,000
Defer. charges	1,552,000	2,261,000
Intangibles	1,516,000	1,552,000
Total Assets	$ 56,570,000	$ 58,716,000

Liabilities

Long-term debt, curr.	$ 2,282,000	$ 3,747,000
Accts. payable	6,430,000	6,704,000
Accruals	5,017,000	5,759,000
Income taxes	1,426,000	1,338,000
Curr. Liabilities	$ 15,155,000	$ 17,548,000
Long-term debt	12,928,000	13,490,000
Accum. tax reduction	1,111,000	1,058,000
+Common stock	1,837,000	1,834,000
Add. paid-in capital	7,111,000	7,072,000
Retained earnings	19,253,000	17,926,000
Cum. trans. adjust.	(820,000)	(207,000)
Treasury stock	(5,000)	(5,000)
Total Liabilities & Shareholders' Equity	$ 56,570,000	$ 58,716,000

‡ Restated.

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Net Income to Equity	9.41	—
Sales to Inventories	3.98	3.97
Working Capital	$25,064,000	$23,051 000
Current Ratio	2.65	2.31
Shareholders' Equity	$27,376,000	$26,620,000

The Narda Microwave Corporation

435 Moreland Road
Hauppauge, New York 11788
(516) 231-1700

Officers: William A. Bourke, chairman of the board and president; Stuart D. Casper, exec. vice president; James E. McFarland, senior vice president; Bernard Leibowitz, vice president-operations; Arthur L. LeMay, v.p.-marketing; Glenn B. DeBella, v.p. & gen. mgr.-Narda-California operations; Harold S. Laver, v.p.-adm. & finance, James A. Eisenman, secretary.

Directors: William A. Bourke, Stuart D. Casper, John M. May, James E. McFarland, Peter Moffitt, James A. Eisenman, Paul N. Fulton.

Areas of Work: Engaged in the manufacture of microwave and ultra-high frequency (UHF) electronic test equipment, components and subsystems, including products for communication and radar systems, television stations, microwave relay systems, electromagnetic radiation monitoring devices to monitor radiation safety levels, and for navigation systems. These products are sold and distributed primarily to industrial laboratories, the aircraft, airline, communication, radar and television industries, and to various agencies of the United States Government.

Divisions and Subsidiaries:

Narda-Microwave Corporation
410 Lakeside Drive
Sunnyvale, California 94086
(408) 735-7500

Designs and produces microwave amplifiers utilizing bipolar transistors and gallium arsenide field transistors (GaAS FETs).

The Narda International Corporation
435 Moreland Road
Hauppauge, New York 11788
(516) 231-1700

Transfer Agent(s):

Manufacturers Hanover Trust
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: NRD

Plant Footage:

1981	150,000 sq. ft.	1978	95,800
1980	95,800	1977	95,800
1979	95,800		

Sales and Earnings

	Net Sales	Net Income
1981	$ 25,272,765	$ 1,950,155
1980	20,751,782	1,201,282
1979	17,151,682	803,121
1978	13,010,206	316,710
1977	10,444,221	274,471

	No. of Com. Shares	Earn. per Share‡
1981	1,510,128	$ 1.35
1980	1,122,044	1.05
1979	1,053,141	0.75
1978	1,031,782	0.30
1977	1,062,817	0.26

‡Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.16	—	3-for-2
1979	0.13	—	—
1978	0.13	—	—
1977	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 16,594,216	$ 10.99
1980	6,512,143	5.80
1979	5,266,614	5.00
1978	4,541,099	4.40
1977	4,442,407	4.18

Income Account *

Year ended June 30	1981	1980
Net sales	$ 25,272,765	$ 20,751,782
Cost of sales	13,996,962	11,607,494
Expenses	8,611,486	6,856,657
Interest (income) expense	(485,838)	391,349
Income before taxes	$ 3,150,155	$ 1,896,282
Income taxes	1,200,000	695,000
Net Income	$ 1,950,155	$ 1,201,282

*Included in Costs and Expenses, Depreciation and Amortization: $593,540 in 1981 and $538,000 in 1980.

Assets

As of June 30	1981	1980
Cash & cert. of deposit	$ 199,959	$ 539,264
Temporary cash investments	9,592,632	—
Accts. receiv., net	4,975,779	4,016,896
*Inventories	5,778,676	5,791,329
Other assets	123,567	74,452
Current Assets	$ 20,670,613	$ 10,421,941
#Fixed assets	5,705,420	2,582,190
Other assets	965,779	85,962
Total Assets	$ 27,341,812	$ 13,090,093

Liabilities

Long-term debt, curr.	$ 314,290	$ 442,334
Accts. payable	1,177,742	1,433,773
Accruals	3,560,098	1,737,073
Income taxes	656,834	399,584

Curr. Liabilities	$ 5,708,964	$ 4,012,764
Long-term debt	5,003,232	2,565,186
Deferred income taxes	35,400	—
+Common stock	1,515,092	1,125,282
Add. paid-in capital	8,545,978	521,823
Retained earnings	6,548,180	4,877,655
Treasury stock	(15,034)	(12,617)
Total Liabilities & Shareholders' Equity	$ 27,341,812	$ 13,090,093

*At lower of cost (moving average) or market.
#Less accumulated depreciation and amortization.
+$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.46	9.14
%Net Income to Sales	7.72	5.79
%Net Income to Equity	11.75	18.45
Sales to Inventories	4.37	3.58
Working Capital	$14,961,649	$6,409,177
Current Ratio	3.62	2.60
Shareholders' Equity	$16,594,216	$6,512,143

National Beryllia Corp.

Greenwood Avenue
Haskell, New Jersey 07420
(201) 839-1600

Officers: Melvin Eisenberg, president & chief executive officer; Mitchell Friedman, v.p.-operations; Krishna V. Agnihotri, v.p. & dir. technology; Robert J. Sisolak, v.p. & gen. mgr., Ceramic Systems Div.; Harry S. Axt, secretary, treasurer & chief financial officer; Robert C. Ullrich, v.p.-marketing.

Directors: Henry H. Arnhold*, Melvin Eisenberg*, Harold W. Ritchey, James K. Campbell*, Bruce A. MacNaughton*, Stanford S. Warshawsky, Charles J. Lawson, Herman Fialkov.

*Member of Executive Committee.

Areas of Work: Engaged in the manufacture and sale of ceramic and metal components used for discrete power transistors and diodes, integrated circuit and hybrid circuit devices electrical insulation, etc.

Divisions:

Ceramic Systems Division
3422 Tripp Court
San Diego, California 92121
(714) 455-1500

Transfer Agent(s):

Bradford Trust Company
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBEL (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 8,053,554	$ 731,220
1980	8,647,849	870,369
1979	5,877,446	1,395,691
1978	5,031,302	348,794
1977	5,216,505	622,067

	No. of Com. Shares	Earn. per Share ‡
1981	741,964	$ 0.96
1980	724,264	1.20
1979	724,264	1.93
1978	724,264	0.48
1977	724,264	0.86

‡ Including extraordinary gains of $41,400($0.06 per share) in 1980, $645,628 ($0.89 per share) in 1979, $153,921 ($0.21 per share) in 1978, and $286,449 ($0.40 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,992,921	$ 6.73
1980	4,214,476	5.82
1979	3,344,107	4.62
1978	1,948,447	2.69
1977	1,599,653	2.21

Income Account *

Year ended June 30	1981	1980
Net sales	$ 8,053,554	$ 8,647,849
Cost of sales	5,585,237	6,294,604
Expenses	1,006,501	896,149
Depreciation	246,775	236,236
Interest expense	106,517	93,016
Interest income	—	(172,125)
Income before taxes	$ 1,388,220	$ 1,299,969
Income taxes	657,000	471,000
Net Income	$ 731,220	$ 828,969
Extraord. gain	—	41,400
Net Income & extraord. gain	$ 731,220	$ 870,369

Assets

As of June 30	1981	1980
Cash	$ 2,013,679	$ 1,932,205
Accts. receiv., net	1,758,304	1,310,735
*Inventories	1,321,907	1,182,619
Prepaid expenses & other current assets	205,648	152,288
Current Assets	$ 5,299,538	$ 4,577,847
#Fixed assets	1,726,104	1,526,279
Defer. charges	16,110	21,450
Total Assets	$ 7,041,752	$ 6,125,576

Liabilities

Long-term debt, curr.	$ 22,022	$ 20,436
Accts. payable	270,847	254,103
Adv. pay. on contracts	276,393	—
Inc. taxes pay.	338,193	425,841
Other curr. liab.	74,853	56,492
Curr. Liabilities	$ 982,308	$ 1,052,354
Long-term debt	984,423	837,146
Deferred inc. taxes	82,100	21,600
+Common stock	741,964	724,264
Add. paid-in capital	3,400,714	3,371,189
Retained earnings	850,243	119,023
Total Liabilities & Shareholders' Equity	$ 7,041,752	$ 6,125,576

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.24	15.03
%Net Income to Sales	9.08	9.59
%Net Income to Equity	14.65	19.67
Sales to Inventories	6.09	7.31
Working Capital	$4,317,230	$3,525,493
Current Ratio	5.39	4.35
Shareholders' Equity	$4,992,921	$4,214,476

National Computer Systems, Inc.

4401 West 76th Street
Edina, Minnesota 55435
(612) 830-7600

Officers: Charles W. Oswald, chairman of the board & chief executive officer; David C. Malmberg, president & chief operating officer; John W. Fenton, Jr., v.p. & secretary-treasurer; David A. Heit, v.p. & controller; William F. Roberts, v.p.-Corporate administration; Eugene W. Courtney, v.p.-Scanning Products; W. Reed Elier, v.p.-Medical Systems; James D. Landes, v.p.-Forms; John McAllister, Jr., v.p.-Trust Systems.

Directors: Charles W. Oswald*, chairman; David C. Malmberg*, David P. Campbell, Edward C. Lund, Otto W. Quale, Arthur E. Weisberg*, Robert F. Zicarelli*.

* Member of the Executive Committee.

Areas of Work: Manufactures optical scanners and scannable forms used in data collection and comprehensive support services for educational, government and commercial markets.

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NLCS

Sales and Earnings ‡

	Net Sales +	Net Income
1981	$ 50,024,000	$ 2,838,000
1980	42,729,000	3,959,000
1979	34,960,000	3,668,000
1978	30,414,000	2,828,000
1977	25,293,000	2,209,000

	No. of Com. Shares #	Earn. per Share #
1981	3,922,000	$ 0.72
1980	3,910,000	1.01
1979	3,798,000	0.97
1978	3,499,000	0.81
1977	3,244,000	0.68

+ Includes rentals & maintenance.
‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Scanning prods. & serv.	$ 37,029	$ 34,028
Systems prods. & serv.	12,647	7,962
Computool prods. & serv.	348	739
Total	$ 50,024	$ 42,729

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.24	—	—
1980	0.20	—	5-for-4
1979	0.16	—	5-for-4
1978	0.13	—	5-for-4
1977	N.A	—	3-for-2

N.A. - Not available.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 22,918,000	$ 5.89
1980	20,544,000	5.34
1979	16,933,000	4.55
1978	13,766,000	3.73
1977	7,492,000	2.38

‡ Restated.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Jan. 31	1981	1980 ‡
Net sales	$ 34,223	$ 29,095
Rental & maintenance	15,801	13,634
Total	$ 50,024	$ 42,729
Other income	729	524
Total income	$ 50,753	$ 43,253
Cost of sales	25,882	20,628
Cost of rentals & maint.	7,924	6,778
Expenses	11,102	8,340
Interest expense	1,118	500
Income before taxes	$ 4,727	$ 7,007
Income taxes	1,350	3,048
Eq. in loss of affil.	539	—
Net Income	$ 2,838	$ 3,959

* Included in Costs and Expenses, Depreciation: $3,493,000 in 1981 and $2,850,000 in 1980.
‡ Restated.

Assets
(000's)

As of Jan. 31	1981	1980 ‡
Cash	$ 226	$ 221
Short-term invest.	450	5,100
Receivables	10,565	8,788
*Inventories	9,425	10,690
Prepaid expenses	1,037	365
Current Assets	$ 21,703	$ 25,164
#Equipment leased to others	8,192	7,754
#Fixed assets	9,381	6,175
Other assets	5,679	3,118
Eq. invest. in affil.	2,513	3,118
Total Assets	$ 47,468	$ 42,211

Liabilities

Notes payable	$ —	$ 25
Long-term debt, curr.	448	89
Accts. payable	3,797	3,317
Accruals	2,498	2,741
Deferred income	2,070	2,237
Income taxes	309	164
Curr. Liabilities	$ 9,122	$ 8,573
Long-term debt	2,921	1,292
Convert. subord. debent.	10,000	10,000
Deferred inc. taxes	2,507	1,802
+Common stock	117	116
Add. paid-in capital	7,884	7,441
Retained earnings	14,917	12,987
Total Liabilities & Shareholders' Equity	$ 47,468	$ 42,211

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.81	24.08
%Net Income to Sales	8.29	13.61
%Net Income to Equity	12.38	19.27
Sales to Inventories	3.63	2.72
Working Capital	$12,581,000	$16,591,000
Current Ratio	2.38	2.94
Shareholders' Equity	$22,918,000	$20,544,000

National Data Communications, Inc.

5440 Harvest Hill Road
Dallas, Texas 75230
(214) 386-0600

Officers: Thomas W. Butler, chairman of the board, president & chief executive officer; Clark A. Pritchard, exec. v.p.-research, development & planning; Billy C. Morton, sr. v.p. & treasurer; James M. Finley, v.p. & secretary; Patrick E. Haggerty, Jr., v.p.-operations; Charles R. Hodges, v.p.-marketing/hospital products; B. Wilson Whiteside, v.p.-marketing/Special Markets; Garland Butler, asst. v.p.-customer services; Carlos Gutierrez, asst. v.p.-systems; H.R. Porter, III, asst. v.p.-marketing support.

Directors: Thomas W. Butler*, chairman; T. Begley Gardner, Edwin E. Merriman, Jack O'Callaghan*, Stuart F. Silloway*, Jack S. Young*.

* Member of the Executive Committee.

Areas of Work: Develops computer based patient data systems for hospital, ambulatory care centers and outpatient clinics.

Transfer Agent(s):

First National Bank in Dallas
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NDAC (NASDAQ)

Number of Employees:

1981 328

Plant Footage:

1981 . . . . . . 50,000 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 8,474,797	$ (2,748,463)
1980	10,357,729	856,483
1979	7,235,313	1,089,189
1978	4,064,608	(593,826)
1977	3,592,974	(358,854)

	No. of Com. Shares #	Earn. per Share ‡ #
1981	2,409,402	$ —
1980	2,343,236	0.35
1979	2,337,045	0.46
1978	2,262,495	—
1977	2,139,255	—

‡ Including extraordinary gain of $331,555 ($0.14 per share) in 1979.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 3,131,950	$ 1.30
1980	5,796,427	2.47
1979	4,651,315	1.99
1978	3,540,015	1.56

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 8,474,797	$ 10,357,729
Cost of sales	1,694,265	2,354,280
Expenses	8,385,498	6,267,820
Interest expense	1,303,447	552,240
Income (loss) before taxes	$ (2,908,413)	$ 1,183,389
Income taxes (credit)	(159,950)	326,906
Net Income (Loss)	$ (2,748,463)	$ 856,483

* Included in Costs and Expenses, Depreciation and Amortization: $593,140 in 1981 and $296,042 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 664,331	$ 535,995
Accts. receiv., net	5,108,810	3,925,719
*Inventories	4,006,286	1,235,105
Prepaid expenses	354,155	55,998
Current Assets	$ 10,133,582	$ 5,752,817
Receivables	1,311,591	1,769,948
Inventory	—	556,401
Real estate	592,588	578,384
#Fixed assets	2,378,927	1,871,279
Defer. charges	1,252,103	689,989
Total Assets	$ 15,668,791	$ 11,218,818

Liabilities

Notes payable	$ 7,959,000	$ 982,242
Long-term debt, curr.	842,000	859,000
Accts. payable	1,219,073	614,732
Curr. Liabilities	$ 10,020,073	$ 2,455,974
Long-term debt	2,445,543	2,757,000
Deferred comp.	71,225	32,000
Deferred inc. taxes	—	177,417
+Common stock	1,206,307	1,188,073
Add. paid-in capital	4,442,839	4,376,381
Retained earnings (deficit)	(2,517,196)	231,973
Total Liabilities & Shareholders' Equity	$ 15,668,791	$ 11,218,818

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.43
%Net Income to Sales	—	8.27
%Net Income to Equity	—	14.78
Sales to Inventories	2.12	8.39
Working Capital	$ 113,509	$3,296,843
Current Ratio	1.01	2.34
Shareholders' Equity	$3,131,950	$5,796,427

National Micronetics, Inc.

5600 Kearny Mesa Road
San Diego, California 92111
(714) 279-7500

Officers: Ned W. Buoymaster, chairman of the board & chief executive officer; Gregorio Reyes, president & chief operating officer; Harry W. Bubnack, Peter L. Fleischner, Wesley M. Robinson, vice presidents; E. Laughlin, corp. controller; Richard A. Hudzik, v.p.-finance & treasurer; Patrick A. Rivelli, v.p. & secretary; Thomas R. Selig, group v.p.

Directors: Ned W. Buoymaster, chairman of the board; Charles J. Lawson, Jr., Patrick R. Liles, H. DuBose Montgomery, Jr., George O. Pfaff, Gregorio Reyes.

Areas of Work: Engaged in the manufacture and engineering of ferrites, advanced recording heads, head assemblies, very advanced components for hybrid integrated circuits and subminiature resistor chips.

Divisions:

Semi-Films Division
Micronetics Division
Advanced Materials Division

National Micronetics, Inc.

Transfer Agent(s):

Bradford Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NMIC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 23,696,000	$ 568,000
1980	19,824,000	(226,000)
1979	19,657,000	2,265,468
1978	11,890,000	1,674,303
1977	6,134,000	599,985

	No. of Com. Shares	Earn. per Share ‡ #
1981	1,940,101	$ 0.29
1980	1,915,001	—
1979	1,879,951	1.28
1978	1,478,751	1.12
1977	1,440,976	0.42

(Loss)

‡ Including extraordinary gains of $772,000 ($0.52 per share) in 1978 and $312,000 ($0.22 per share) in 1977.

# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Recording head prods.	$ 19,791	$ 16,390
Microelectronic components	3,905	3,434
Total	$ 23,696	$ 19,824

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 8,003,358	$ 4.13
1980	7,232,174	3.78
1979	7,303,138	3.88
1978	2,439,759	1.65
1977	645,497	0.45

Income Account *

Year ended June 30	1981	1980
Net sales	$ 23,696,275	$ 19,824,090
Cost of sales	17,486,510	16,310,627
Research, develop. & engin.	1,403,552	1,000,246
Expenses	3,498,076	2,835,772
Interest expense	467,757	440,470
Income (loss) before taxes	$ 840,380	$ (763,026)
Income taxes (credit)	272,500	(537,327)
Net Income (Loss)	$ 567,880	$ (225,699)

* Included in Costs and Expenses, Depreciation and Amortization: $800,958 in 1981 and $578,287 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 3,385,442	$ 699,986
Accts. receiv., net	3,599,975	2,508,180
*Inventories	5,702,035	5,242,151
Prepaid expenses	22,252	26,548
Refund. inc. taxes	—	645,247
Accrued int. recv.	66,958	—
Deferred inc. taxes	186,951	—
Current Assets	$ 12,963,613	$ 9,122,112
#Fixed assets	5,195,264	4,939,213
Other assets	109,140	38,595
Total Assets	$ 18,268,017	$ 14,099,920

Liabilities

Long-term debt, curr.	$ 819,326	$ 522,580
Accts. payable	1,836,088	1,249,300
Accruals	1,014,536	506,463
Accrued payroll	294,451	327,752
Inc. taxes payable	182,345	250
Curr. Liabilities	$ 4,146,746	$ 2,606,345
Long-term debt	5,820,871	4,127,401
Deferred credit	67,000	89,500
Deferred inc. taxes	230,042	44,500
+Common stock	194,010	191,500
Add. paid-in capital	5,167,979	4,967,185
Retained earnings	2,641,369	2,073,489
Total Liabilities & Shareholders' Equity	$ 18,268,017	$ 14,099,920

* At lower of standard cost or market.

# Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.55	—
%Net Income to Sales	2.40	—
%Net Income to Equity	7.10	—
Sales to Inventories	4.16	3.78
Working Capital	$8,816,867	$6,515,767
Current Ratio	3.13	3.50
Shareholders' Equity	$8,003,358	$7,232,174

National Semiconductor Corporation

2900 Semiconductor Drive
Santa Clara, California 95051
(408) 737-5000

Officers: Charles E. Sporck, president & chief exec. officer David N. Martin, v.p. & exec. v.p., National Advanced Systems; F. Joseph Van Poppelen, v.p.-semiconductor marketing; Roy J. Brant, v.p.-human relations; Robert R.Heikes, v.p.-managing director, Europe & Latin America; John R. Finch, v.p.; E. Floyd Kvamme, v.p. & pres. National Advanced Systems; Fred B. Bialek, v.p.-general manager, Systems Div. & Consumer Products Div.; C. Edward Pausa, v.p.-international manufacturing; E. Joseph Willits, v.p.-finance & secretary; Pierre R. Lamond, v.p.-technical director; John L.Nesheim, treasurer; Patrick Verderico, controller; John G. Webb, general counsel.

Directors: Peter J. Sprague, chairman; Donald E. Weeden, Charles E. Sporck, Robert Beshar, Harry H. Wetzel, Neil Goldschmidt.

Areas of Work: Engaged in the manufacture of monolithic integrated circuits, transistors, semiconductor devices and hybrid integrated circuits which are used in amplifying, switching, gating, commutating elements in telemetry, data processing and multiplexing; also high reliability testing, calculators, electronic watches, watch and clock modules, and POS electronic check-out systems.

Divisions:

Semiconductor Division
Consumer Products Division
Systems Division

Subsidiaries:

National Semiconductor (Pte.) Limited
Republic of Singapore

National Semiconductor Hong Kong Ltd.
Hong Kong

National Semiconductor (U.K.) Limited
United Kingdom

National Semiconductor S.A.R.L.
France

National Semiconductor GmbH
Germany

N.S. Electronics SDN BHD
Malaysia

N.S. Electronics, Limited
Thailand

Dyna-Craft, Inc.
California

N.S. International, Inc.
Delaware

N.S. Disco, Inc.
Delaware

P.T. NS Electronics Bandung
Indonesia

N.S. Electronics do Brasil
Brazil

NS Electronics, Ltd.
Canada

EXSYSCO, Inc.
Delaware

N.S. Electronics Philippines, Inc.
Philippines

N.S. Electronics Pty. Ltd.
Australia

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific

Ticker Symbol: NSM

Number of Employees:

1980	40,263	1977	21,660
1979	32,344	1976	23,726
1978	26,733		

Sales and Earnings

	Net Sales	Net Income
1980	$980,363,000	$ 52,339,000
1979	719,740,000	34,262,000
1978	494,336,000	22,497,000
1977	387,336,000	10,184,000
1976	325,097,000	18,953,000

	No. of Com. Shares #	Earn. per Share #
1980	20,308,000	$2.58
1979	19,975,000	1.72
1978	19,622,000	1.15
1977	19,683,000	1.72
1976	19,740,000	2.58

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$225,904,000	$11.12
1979	168,000,000	8.41
1978	131,177,000	6.69
1977	107,048,000	5.44
1976	93,847,000	4.75

‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended May 31	1980	1979
Net sales	$ 980,363	$ 719,740
Cost of sales	666,436	495,029
Expenses	209,010	156,897
Interest expense	11,118	5,532
Income before taxes	$ 93,799	$ 62,282
Income taxes	41,460	28,020
Net Income	$ 52,339	$ 34,262

* Included in Costs and Expenses, Depreciation and Amortization: $45,017,000 in 1980 and $31,318,000 in 1979.

Assets
(000's)

As of May 31	1980	1979
Cash	$ 7,466	$ 8,266
Receiv., net	163,164	105,029
* Inventories	170,302	125,437
Prepaid expenses	8,910	5,717
Current Assets	$ 349,842	$ 244,449
# Fixed assets	205,791	135,000
Other assets	5,722	5,803
Total Assets	$ 561,355	$ 385,252

Liabilities
(000's)

Loans payable	$ 8,716	$ 35,317
Accts. payable	73,033	49,897
Accruals	63,464	36,146
Income taxes	14,901	20,876
Other liabilities	12,982	6,172
Curr. Liabilities	$ 173,096	$ 148,408
Loans payable	96,800	26,970
Other liabilities	2,221	2,078
Deferred inc. taxes	63,334	39,796
+ Common stock	10,076	6,603
Add. paid-in capital	35,886	33,794
Retained earnings	179,942	127,603
Total Liabilities & Shareholders' Equity	$ 561,355	$ 385,252

* At lower of standard cost (which approximates actual cost) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.57	8.65
%Net Income to Sales	5.34	4.76
%Net Income to Equity	23.17	20.39
Sales to Inventories	5.76	5.74
Working Capital	$176,746,000	$ 96,041,000
Current Ratio	2.02	1.65
Shareholders' Equity	$225,904,000	$168,000,000

NBI, Inc.

1695 38th Street
Boulder, Colorado 80301
(303) 444-5710

Officers: Thomas S. Kavanagh, president; Jesse A. Simmons, v.p. & treasurer; Mark J. Stevenson, v.p. & secretary; David Klein, v.p. & asst. secretary; Carl D. Carman, Charles L. Dumas, William L. Taggart, vice presidents.

Directors: David A.R. Dullum, William R. Hambrecht, Thomas S. Kavanagh, Howard W. Selby, III, Burton J. McMurtry.

Areas of Work: Designs, manufactures and markets software-based office automation systems used in information and word processing and for communications within the office.

Transfer Agent(s):
United Bank of Denver, N.A.
1740 Broadway
Denver, Colorado 80202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBII (NASDAQ)

Number of Employees:

1981	635	1978	95
1980	372	1977	64
1979	178		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 46,050,000	$ 7,158,000
1980	26,235,000	3,205,000
1979	9,791,000	1,651,000
1978	3,921,000	51,000
1977	1,911,000	(770,000)

	No. of Com. Shares#	Earn per Share‡ #
1981	8,854,000	$ 0.81
1980	6,883,000	0.47
1979	5,444,000	0.30
1978	3,609,000	0.01
1977	3,117,000	—

(Loss)
‡ Including extraordinary gain of $780,000 ($0.14 per share) in 1979.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 45,505,000	$ 5.08
1980	16,942,000	2.20
1979	3,004,000	0.58
1978	1,138,000	0.23
1977	(1,002,000)	—

(Deficiency)
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Junes 30	1981	1980
Net sales	$ 46,050	$ 26,235
Rental & serv.	11,578	6,419
Total income	$ 57,628	$ 32,654
Cost of sales	24,131	14,510
Expenses	22,616	12,097
Inc. from invest.	(2,695)	(249)
Interest expense	173	548
Income before taxes	$ 13,403	$ 5,748
Income taxes	6,245	2,543
Net Income	$ 7,158	$ 3,205

* Included in Costs and Expenses, Depreciation: $2,603,000 in 1981 and $1,504,000 in 1980.

Assets
(000's)

As of, June 30	1981	1980
Cash & cash equiv.	$ 19,681	$ 4,701
Receivables	17,038	6,884
Marketable securities	996	—
*Inventories	11,230	4,533
Other curr. assets	350	253
Current Assets	$ 49,295	$ 16,371
Installment receiv.	2,305	1,465
#Rental equip.	3,934	2,534
‡Field Spare parts	1,614	1,141
#Fixed assets	6,023	2,629
Deferred comm.	402	315
Total Assets	$ 63,573	$ 24,455

Liabilities
(000's)

Notes payable	$ 399	$ 265
Accts. payable	7,000	2,647
Accruals	3,354	1,420
Accrued inc. taxes	3,307	1,326
Deferred inc. taxes	854	220
Curr. Liabilities	$ 14,914	$ 5,878
Long-term debt	819	637
Deferred inc. taxes	2,335	998
+Common stock	896	769
Add. paid-in capital	34,232	12,954
Retained earnings	10,377	3,219
Total Liabilities & Shareholders' Equity	$ 63,573	$ 24,455

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	29.11	21.91
%Net Income to Sales	15.54	12.22
%Net Income to Equity	15.73	18.92
Sales to Inventories	4.10	5.79
Working Capital	$34,381,000	$10,493,000
Current Ratio	3.31	2.79
Shareholders' Equity	$45,505,000	$16,942,000

NCR Corporation

1700 South Patterson Boulevard
Dayton, Ohio 45479
(513) 445-5000

Officers: William S. Anderson, chairman of the board; C.E. Exley, Jr., president; Manuel Garcia, sr. v.p.; D.L. McIntosh, sr. v.p.-finance & administration; V.F. Bean, v.p.-corp. field engineering; R.C. James. v.p.-Office Systems; D.G. Laws, v.p.-corporate product management; Tom T. Tang, v.p.-research & development; J.E. Rambo, v.p., secretary & general counsel; C.E. Reynolds, v.p.; D.W. Russler, v.p. & controller; B.L. Shafer, v.p.-personnel resources; Norman A. Cocke, treasurer; P.W. Lappetito, sr. v.p., United States Data Processing Group; D.J. McCarthy, v.p., Retail Systems Division; A.J.R. Oosthuizen, v.p., Commercial-Industrial/Medical-Education-Government Systems Division; R.B. Reese, v.p., Field Engineering Division; W.F. Walsh, v.p.-Financial Systems Division; G. Bassani, v.p.-Latin America; H.M. Schene, v.p.-Europe; R.E. White, v.p.-Middle East/Africa; G.P. Williamson, v.p.-Pacific; H.R. Wise, v.p., Regional Services & Distributor Marketing; W.F. Buster, sr. v.p.-Development & Production Group; D.L. Clark, v.p.-Financial Systems Division; D.E. Coleman, v.p. CI/MEG Systems Division; C.N. Jorgensen, v.p.-Group Staff; R.K. Kruse, v.p.-Retail Systems Division; H.J. Lynch, v.p.-General Purpose Systems Division; J.H. Van Tassel, v.p.-Microelectronics Division; E.J.McHugh, v.p.-Systemedia Group; D.J. Herman, v.p. & pres., NCR Comten, Inc.

Directors: William S. Anderson, chairman of the board; C.A. Anderson, W.G. Bowen, N.F. Brady, G.A. Costanzo, C.E. Exley, Jr., C.H. Hardesty, Jr., H. Holiday, Jr., J.J. Horan, C.S. Morawetz, J.E. Rambo, E.J. Schlegel, R.L. Terrell.

Areas of Work: Develops, manufactures, markets, installs and services total business information processing systems for selected worldwide markets. These markets are primarily in the retail, financial, commercial, industrial, healthcare, education, and government sectors. Computers range from small business systems to the most powerful general-purpose processors, and are supported by a complete spectrum of terminals, peripherals, data communications networks and an extensive library of software products. Supplemental services and products include field engineering, data centers, systems services, educational centers, and a comprehensive line of media.

NCR Corporation

Divisions:

The Systemedia Group

Business Forms Division

Business forms and supplies are manufactured in 9 U.S. plants and 44 overseas facilities, and are sold to both NCR and non-NCR equipment users.

The Micrographic Systems Division
Mountain View, California

Manufactures and markets a complete line of Computer Output Microfiche recorders, processors, and readers and is one of the three largest suppliers of COM equipment.

NCR Comten, Inc.
St. Paul, Minnesota & New Bedford, New Jersey

Produces, markets, and services programmable communications processors, proprietary communications software, and computer performance measurement products.

Engineering and Manufacturing Group

Consists of three divisions—a Computer and Communications Systems Division, a Terminals and Subsystems Division, and a Components and Support Division, and comprises 24 operating units in 10 countries. These consist of 16 engineering and manufacturing plants, 3 microelectronics design and fabrication facilities, and 5 systems engineering units, each with its own specific product charter.

Major Subsidiaries:

NCR Comten, Inc.
NCR DIS Corp.
NCR Argentina SAIC
NCR Australia Pty. Ltd.
NCR Canada Ltd.
NCR France, S.A.
NCR Denmark S.A.
NCR GmbH (Germany)
NCR Japan, Ltd.
NCR De Mexico, S.A. de C.V.
NCR Nederland N.V.
NCR Espana, S.A.
NCR (Switzerland)
NCR Limited (United Kingdom)

Applied Digital Data Systems Inc.
100 Marcus Boulevard
Hauppauge, New York 11787
(516) 231-5400

Designs, manufactures and markets video display computer terminals which serve as input/output devices for the capture of digital data and its transmisson between computers and human operators.

In addition to the above list are 69 other subsidiaries and affiliates

Transfer Agent(s):

AmeriTrust Co.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, London, Main Swiss Exchanges.

Number of Employees:

1981	65,000	1978	62,000
1980	68,000	1977	64,000
1979	67,000		

Plant Footage:

1981	6,150,000 sq. ft.	1978	7,250,000
1980	6,150,000	1977	9,500,000
1979	6,150,000		

Sales and Earnings

	Net Sales ‡ + (000's)	Net Income (000's)
1981	$ 3,432,701	$ 208,234
1980	3,322,370	254,686
1979	3,002,640	234,602
1978	2,610,520	318,004†
1977	2,311,939	142,470

	No. of Com. Shares	Earn. per Share
1981	26,609,301	$ 7.72
1980	26,644,369	9.51
1979	26,214,605	8.78
1978	26,169,225	11.85†
1977	26,374,374	5.31

‡ Includes income from sales, services and equipment rental.
+ Of continuing operations only.
† Includes sale of Appleton Papers Division.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.20	—	—
1980	2.00	—	—
1979	1.60	—	—
1978	1.00	—	—
1977	0.80	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$1,853,261,000	$ 69.65
1980	1,704,386,000	63.97
1979	1,476,186,000	56.32
1978	1,298,191,000	49.66
1977	1,017,740,000	38.64

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,063,756	$ 2,034,576
Rentals and services	1,368,945	1,287,794
Revenues	$ 3,432,701	$ 3,322,370
Cost of sales	1,803,252	1,626,027
Expenses	1,287,009	1,240,042
Other income	(93,511)	(68,587)
Interest expense	72,498	55,877
Income before taxes	$ 363,453	$ 469,011
Income taxes	150,000	201,700
Minority interests	5,219	12,625
Net Income	$ 208,234	$ 254,686

* Included in Costs and Expenses, Depreciation: $243,846,000 in 1981 and $227,101,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & investments	$ 182,448	$ 119,063
Receiv., net	1,025,116	1,009,807
Other current assets	80,735	90,607
* Inventories	883,961	1,017,550
Current Assets	$ 2,172,260	$ 2,237,027
# Rental equip.	302,115	277,441
# Fixed assets	561,994	517,415
Goodwill	132,168	136,132
Other assets	217,997	198,440
Total Assets	$ 3,386,534	$ 3,366,455

Liabilities
(000's)

	1981	1980
Notes payable	$ 132,[illegible]	$ 148,055
Commercial paper	70,043	168,592
Long-term debt, curr.	18,826	19,177
Accts. payable	98,452	127,140
Accruals	354,603	340,493
Accrued taxes	172,062	145,043
Deposits & Prepayments	252,163	243,714
Curr. Liabilities	$ 1,098,546	$ 1,200,214
Long-term debt	299,658	321,540
Int'l. emp. pension & reserves	67,373	74,906
Minority interest	67,606	65,312
+ Preferred stock	90	97
+ + Common stock	413,817	[illegible]
Retained earnings	1,453,157	1,303,[illegible]16
Treasury stock	(13,713)	(6,572)
Total Liabilities & Shareholders' Equity	$ 3,386,534	$ 3,366,455

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value, $1.25 cumulative convertible.
+ + $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	10.59	14.12
%Net Income to Revenues	6.07	7.67
%Net Income to Equity	11.24	14.94
Working Capital	$1,073,714,000	$1,036,813,000
Current Ratio	1.98	1.86
Shareholders' Equity	$1,853,351,000	$1,704,483,000

Network Systems Corporation

7600 Boone Avenue North
Brooklyn Park, Minnesota 55428
(612) 425-2202

Officers: James E. Thornton, chairman of the board & chief executive officer; Lyle D. Altman, president, chief operating officer & secretary; Gary S. Christensen, v.p.-development; Mahlon L. Moore, v.p.-marketing; Gerald R. Olson, v.p.-engineering & manufacturing; Richard A. Fisher, v.p.-finance & treasurer; Leon M. Greenslit, controller; Fred A. Jueppers, Jr., legal counsel & secretary.

Directors: James E. Thornton, chairman; Lyle D. Altman, Eugene F. Barth, Daniel J. Haggerty, Thomas G. Herschbach, Jens R. Marzak, James G. Miles.

Areas of Work: The Company manufactures and markets an ultra high speed data communications product known as the HYPERchannel® which permits various computers and peripheral equipment, regardless of manufacturer to communicate with each other at speeds of up to 50 million bits per second.

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: .ISCO (NASDAQ)

Number of Employees:

1981	236	1980	194

Plant Footage:

1981 .... 42,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 18,4[illegible],000	$ 3,542,000
1980	12,811,000	1,894,000
1979	8,167,000	1,110,000
1978	6,694,000	973,000
1977	1,007,000	(1,751,000)

	No. of Com. Shares #	Earn. per Share † #
1981	9,820,000	$ 0.36
1980	7,349,000	0.24
1979	6,790,000	0.16
1978	5,910,000	0.16
1977	1,980,000	—

(Loss)

† Including extraordinary gains of $410,000 ($0.05 per share) in 1980, $545,000 ($0.08 per share) in 1979 and $479,000 ($0.08 per share) in 1978.

Based on the weighted average number of common shares and dilutive common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 28,479,000	$ 2.90
1980	22,582,000	2.91
1979*	5,520,000	0.81
1978*	3,502,000	0.59
1977*	429,000	0.22

* Including redeemable preferred stock.

Based on the weighted average number of common shares and dilutive common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 18,404	$ 12,811
Other income	2,610	310
Total income	$ 21,014	$ 13,121
Cost of sales	6,787	5,072
Expenses	7,914	5,160
Interest expense	101	463
Income bef. taxes	$ 6,212	$ 2,426
Income taxes	2,670	942
Net Income	$ 3,542	$ 1,484
Extraord. gain	—	410
Net Income & Extraord. Gain	$ 3,542	$ 1,894

* Included in Costs and Expenses, Depreciation $736,000 in 1981 and $405,000 in 1980.

Assets
(000's)

As at Dec. 31	1981	1980
Cash & cash equiv.	$ 20,138	$ 15,109
Accts. receiv., net	7,873	6,502
*Inventories	2,575	2,379
Prepaid expenses	107	141
Deferred inc. taxes	530	—
Current Assets	$ 31,223	$ 24,131
#Fixed assets	1,546	1,412
Other assets	217	132
Defer. inc. taxes	—	189
Total Assets	$ 32,986	$ 25,864

Liabilities
(000's)

	1981	1980
Cap. lease oblig., curr.	$ 187	$ 195
Accts. payable	476	631
Accruals	2,175	1,034
Cust. deposits	—	204
Income taxes	1,018	725
Current Liabilities	$ 3,856	$ 2,789
Cap. lease oblig.	316	493
Deferred inc. taxes	335	—
+ Common stock	190	180
Add. paid-in capital	25,315	22,970
Retained earnings (deficit)	2,974	(560)
Total Liabilities & Shareholders' Equity	$ 32,986	$ 25,864

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.02 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	33.75	18.94
%Net Income to Sales	19.25	11.58
%Net Income to Equity	12.44	6.57
Sales to Inventories	7.15	5.39
Working Capital	$27,367,000	$21,342,000
Current Ratio	8.10	8.65
Shareholders' Equity	$28,479,000	$22,582,000

Networks Electronic Corp.

9750 De Soto Avenue
Chatsworth, California 91311
(213) 341-0440

Officers: Mihai D. Patrichi, chairman of the board, president and treasurer; Robert G. Bitters, executive v.p. and general manager; Peter H. Turner, -Bearings Division; O.C. Smith, v.p.-Ordnance Division; George Hayek, v.p.-chemical engineering; Michael P.D. Patrichi, secretary.

Directors: Mihai D. Patrichi, Michael P.D. Patrichi, Kenneth S. Yamamoto.

Areas of Work: Produced and marketed are spherical bearings used in the aircraft industry, and thermal relay switches, glass-to-metal seals and miniaturized electro-pyro-technical devices used in the missile and space industry.

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NWRK (NASDAQ)

Number of Employees:

1981	125	1979	117
1980	140		

Plant Footage:

1981	85,000 sq. ft.	1979	85,000
1980	85,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 7,332,014	$ 857,808
1980	5,605,883	438,891
1979	3,864,271	27,865
1978	3,016,468	177,662
1977	1,782,505	21,203

	No. of Com. Shares +	Earn. per Share ‡ #
1981	2,328,072	$ 0.40
1980	2,108,072	0.21
1979	2,160,564	0.01
1978	2,242,764	0.08
1977	2,242,764	0.01

‡ Including extraordinary gains of $5,832 in 1978 and $2,531 in 1977.

+ Adjusted to reflect stock split.

Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 4,375,605	$ 1.88
1980	2,179,047	1.03
1979	1,805,475	0.84
1978	1,871,180	0.83
1977	1,693,518	0.76

+ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 7,332,014	$ 5,605,883
Cost of sales	4,428,629	3,884,113
Expenses	1,138,807	950,136
Interest expense	106,624	97,910
Income before taxes	$ 1,657,954	$ 673,724
Income taxes	800,146	234,833
Net Income	$ 857,808	$ 438,891

* Included in Costs and Expenses, Depreciation and Amortization: $161,900 in 1981 and $124,786 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 1,784,984	$ 369,568
Accts. receiv., net	1,592,877	1,067,123
*Inventories	1,657,968	1,256,702
Prepaid expenses	48,934	22,930
Deferred inc. taxes	73,140	29,363
Current Assets	$ 5,157,903	$ 2,745,686
Investments	41,104	41,104
#Fixed assets	1,858,251	1,513,885
Total Assets	$ 7,057,258	$ 4,300,675

Liabilities

	1981	1980
Long-term debt, curr.	$ 36,520	$ 34,422
Accts. payable	418,327	535,100
Accruals	379,645	312,327
Income tax	859,731	234,953
Curr. Liabilities	$ 1,694,223	$ 1,116,802
Long-term debt	929,293	945,612
Deferred inc. taxes	58,137	59,214
+ Common stock	630,174	575,174
Add. paid-in capital	2,487,915	1,204,165
Retained earnings (deficit)	1,257,516	399,708
Total Liabilities & Shareholders' Equity	$ 7,057,258	$ 4,300,675

* At lower of cost (moving average) or market.

Less accumulated depreciation.

+ $0.25 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	22.61	12.02
%Net Income to Sales	11.70	7.83
%Net Income to Equity	19.60	20.14
Sales to Inventories	4.42	4.46
Working Capital	$3,463,680	$1,628,884
Current Ratio	3.04	2.46
Shareholders' Equity	$4,375,605	$2,179,047

New Brunswick Scientific Co., Inc.

P.O. Box 986
44 Talmadge Road
Edison, New Jersey 08818
(201) 287-1200

Officers: David Freedman, president; Sigmund Freedman, secretary & treasurer; Myron Tannenbaum, Ezra Weisman, vice presidents; Carmine Mancuci, v.p.-engineering; Daniel Bull, v.p. & technical director; Stephen Rothstein, controller.

New Brunswick Scientific Co., Inc.

Directors: David Freedman, Sigmund Freedman, Julius Berger, Kiyoshi Masuda, Martin Seigel, Ezra Weisman, Marvin Weinstein, Stephen Rothstein, Hyman Center.

Areas of Work: Manufactures a range of research apparatus and instrumentation for the growth, measurement and control of biochemical processes in the life sciences. Also manufactures controlled environment incubation equipment in a variety of models; biological shakers; research fermentors; freeze dryers, tissue culture apparatus and bacterial detection equipment; metering pumps, centrifigation and ultrasonic processing equipment.

Subsidiaries:

New Brunswick Tool & Die Co., Inc.
New Brunswick Scientific Sales Co.
New Brunswick Scientific International, Inc.
New Brunswick Scientific (U.K.) Limited

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBSC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 16,380,538	$ 851,540
1980	16,524,822	650,248
1979	12,020,320	468,473
1978	10,389,245	862,246
1977	7,600,019	(182,042)

	No. of Com. Shares †	Earn. per Share #
1981	2,905,728	$ 0.31
1980	2,265,428	0.29
1979	2,234,128	0.21
1978	2,234,128	0.39
1977	2,234,128	—

(Loss)
Based on weighted average number of shares outstanding adjusted to reflect stock split.
† Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 13,404,023	$ 4.61
1980	6,889,331	3.04
1979	6,199,979	2.78
1978	5,731,506	2.57
1977	4,867,135	2.18

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 16,380,538	$ 16,524,822
Cost of sales	11,092,014	11,037,713
Expenses	4,137,830	3,909,162
Interest expense	64,377	331,054
Income before taxes	$ 1,215,071	$ 1,246,893
Income taxes	363,531	596,645
Net Income	$ 851,540	$ 650,248

* Included in Costs and Expenses, Depreciation and Amortization: $313,119 in 1981 and $260,595 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 484,432	$ 343,525
Cert. of deposit	4,598,284	123,990
Accts. receiv., net	3,578,604	3,143,693
*Inventories	7,680,036	6,878,149
Prepaid income taxes	126,209	—
Prepaid expenses	104,436	64,899
Current Assets	$ 16,572,001	$ 10,554,256
# Fixed assets	3,747,417	3,495,054
Other assets	75,716	97,011
Total Assets	$ 20,395,134	$ 14,146,321

Liabilities

	1981	1980
Notes payable	$ 1,043,476	$ 1,319,994
Long-term debt, curr.	99,053	85,079
Accts. payable	2,381,086	2,542,777
Advances	607,024	124,330
Income taxes	—	256,114
Curr. Liabilities	$ 4,130,639	$ 4,328,294
Long-term debt	2,737,533	2,839,076
Deferred inc. taxes	122,939	89,620
+ Common stock	181,608	141,589
Add. paid-in capital	7,786,930	2,163,797
Retained earnings	5,435,485	4,583,945
Total Liabilities & Shareholders' Equity	$ 20,395,134	$ 14,146,321

* At lower of cost (FIFO, average or actual) or market..
# Less accumulated depreciation.
+ $0.0625 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.42	7.55
%Net Income to Sales	5.20	3.93
%Net Income to Equity	6.35	9.44
Sales to Inventories	2.13	2.40
Working Capital	$12,441,362	$6,225,962
Current Ratio	4.01	2.44
Shareholders' Equity	$13,404,023	$6,889,331

Newport Electronics, Inc.

(formerly Newport Laboratories, Inc.)

630 East Young Street
Santa Ana, California 92705
(714) 540-4914

Officers: Robert H. Davis, chairman; Barret B. Weekes, president; Norman E. Gray, executive vice president; Albert Johnson, v.p.-marketing; Nicholas Testa, v.p.-operations; Ronald P. Grace, v.p.-finance & treasurer; Karl Hinrichs, v.p.-research; John Virtue, secretary.

Directors: Robert H. Davis, Norman E. Gray, George C. Pratt, John Virtue, Barret B. Weekes, Roy L. Rogers.

Areas of Work: Engaged in design, manufacture and marketing of precision digital electronic measurement and recording equipment, including digital voltmeters, data amplifiers, digital thermometers, counters, and complementary and special instruments. Also manufactures complementary products such as printers, digital clocks and temperature scanning system.

Subsidiaries:

Newport Electronics International, Inc. (DISC)
Santa Ana, California

Newport Electronics GmbH
6-82 Dreieich 1
Max Planck Strasse 13
Postfach 102163
West Germany

Newport Electronique S.A.R.L.
9, rue Denis Papin
78190 Trappes, France

Newport Electronics B.V.
P.O. Box 105
2150 AC Nieuw-Vennep
The Netherlands

Newport Electronics Ltd.
Red Firs Building
Maxwell Road
Stevenage Herts. 2G1 2EW
United Kingdom

Transfer Agent(s):

U.S. Stock Transfer Corporation
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWE (NASDAQ)

Number of Employees:

1981	190	1978	235
1980	205	1977	174
1979	222		

Plant Footage:

1981	35,000 sq. ft.	1978	35,000
1980	35,000	1977	35,000
1979	35,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 10,167,000	$ 6,000
1980	10,442,000	179,000
1979	11,425,000	884,000
1978	9,128,000	616,000
1977	6,743,140	373,164

	No. of Com. Shares	Earn. per Share × ‡
1981	1,193,746	$ 0.01
1980	1,169,651	0.15
1979	1,151,951	0.75
1978	1,136,451	0.59
1977	991,851	0.35

+ Of continuing operations only.
‡ Including extraordinary loss of $56,970 ($0.05 per share) in 1977.
× Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,292,000	$ 3.60
1980	4,223,000	3.61
1979	4,025,000	3.49
1978	3,072,000	2.70
1977	1,992,624	2.01

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 10,167,000	$ 10,442,000
Cost of sales	6,381,000	6,336,000
Prod. develop.	576,000	603,000
Expenses	3,368,000	2,880,000
Income (loss) before taxes	$ (158,000)	$ 623,000
Income taxes (credit)	(164,000)	444,000
Net Income	$ 6,000	$ 179,000

* Included in Costs and Expenses, Depreciation and Amortization: $272,000 in 1981 and $233,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 326,000	$ 304,000
Accts. & notes receiv., net	1,606,000	2,038,000
*Inventories	2,676,000	2,829,000
Inc. taxes receiv.	47,000	191,000
Prepaid expenses	67,000	74,000
Current Assets	$ 4,722,000	$ 5,436,000
#Fixed assets	857,000	827,000
Other assets	55,000	43,000
Total Assets	$ 5,634,000	$ 6,306,000

Liabilities

Notes payable	$ —	$ 400,000
Long-term debt, curr.	40,000	40,000
Accts. payable	434,000	486,000
Accruals	462,000	668,000
Income taxes	46,000	169,000
Curr. Liabilities	$ 982,000	$ 1,763,000
Representative indemnity	80,000	—
Long-term debt	280,000	320,000
+Common stock	12,000	12,000
Add. paid-in capital	1,358,000	1,295,000
Retained earnings	2,922,000	2,916,000
Total Liabilities & Shareholders' Equity	$ 5,634,000	$ 6,306,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.97
%Net Income to Sales	0.06	1.71
%Net Income to Equity	0.14	4.24
Sales to Inventories	3.80	3.69
Working Capital	$3,740,000	$3,673,000
Current Ratio	4.81	3.08
Shareholders' Equity	$4,292,000	$4,223,000

Nicolet Instrument Corporation

5225 Verona Road
Madison, Wisconsin 53711
(608) 271-3333

Officers: Donald D. Haselhorst, chairman of the board & chief executive officer; John B. Krauss, president; Marshall H. Krone, Patrick D. Lynch, Robert E. Penrod, Robert W. Schumann, Arthur F. Smith, v.p.'s; Keith Brue, v.p. & chief financial officer; L.V. Ackman, secretary; Gregory Johnson, Joseph P. Royere, Ira H. Spector, Reinhold Vogel.

Directors: L.V. Ackman, Wesley J. Anderson, Donald D. Haselhorst, Robert W. Schumann, Joseph C. Winslow, Patrick D. Lynch, Doris Drucker, John B. Krauss, John G. Bollinger.

Areas of Work: Designs and manufactures sophisticated electronic measurement instrumentation, including "signal averagers" and spectrum and statistical analyzers. Also engaged in the field of computer-aided data acquisition and processing, digital graphics and computer assisted design.

Divisions and Subsidiaries:

Nicolet Scientific Corporation
245 Livingston Street
P.O. Box 159
Northvale, New Jersey 07647

Designs and manufactures signal-processing instruments which perform spectrum analysis, correlation, signal averaging, and statistical analysis.

Nicolet XRD Corporation
10061 Bubb Road
Cupertino, California 94041

Nicolet Magnetics Corporation
145 East Dana Street
Mountain View, California 94041
(415) 969-2076

Engaged in the field of analytical chemistry involving spectroscopy.

Nicolet Instrument GmbH
6050 Offenbach am Main
Senefelderstrasse 162
West Germany

Nicolet Instruments Limited
Budbrooke Road
Warwick, Warwickshire
England

Nicolet Instrument Canada Limited
1-1200 Aerowood Drive
Mississauga, Ontario L4W 2S7 Canada

Analytical Instruments Division
5225 Verona Road
Madison, Wisconsin 53711

Biomedical Instruments Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Oscilloscope Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Japan Corporation
Daisho Building 10F
6-7-8 Nishi-Nakajima
Nishinakajima, Yodogawa-ku
Osaka 532, Japan

Nicolet Zeta Corp.
2300 Stanwell Drive
Concord, California 94520
(415) 671-0600

Manufacturer of digital graphic plotters.

Nicolet Instrument S.A.R.L.
Z-1-Gatines
Rue Elsa Triolet
78370 Plaisir, France

Nicolet Instrument B.V.
Zuiderinslag 4
3871-MR Hoevelaken
The Netherlands

Nicolet Instrument A.B.
Sagvagen 2
S-184-00 Akersberga
Sweden

Acquisition(s):

Paratronics, Inc.

Manufacturer of logic analyzers.

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: NICO & NIO

Number of Employees:

1982	1,200	1979	570
1981	956	1978	410
1980	902		

Plant Footage:

1981	95,000 sq. ft.	1978	45,000
1980	95,000	1977	30,000
1979	60,000		

Sales and Earnings ‡

	Net Sales +	Net Income
1982	$ 93,884,000	$ 2,628,000
1981	81,270,000	5,106,000
1980	52,736,000	4,436,000
1979	35,587,000	2,883,000
1978	24,807,000	1,822,000

	No. of Com. Shares #	Earn. per Share #
1982	5,230,000	$ 0.50
1981	5,170,000	0.99
1980	4,600,000	0.95
1979	4,155,000	0.69
1978	3,377,000	0.54

+ Of continuing operations only.
‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1982	$0.24	—	—
1981	0.24	—	—
1980	0.16	—	3-for-2
1979	0.11	—	3-for-2
1978	0.07	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1982	$ 35,419,000	$ 6.77
1981	33,046,000	6.39
1980	28,062,000	6.10
1979	15,011,000	3.61
1978	11,157,000	3.30

‡ Restated.

Income Account *

Year ended	4/2/82	3/27/81 ‡
Net sales	$ 93,884,000	$ 81,270,000
Cost of sales	38,239,000	33,960,000
Expenses	43,420,000	35,461,000
Interest expense	2,327,000	1,596,000
Income before taxes	$ 9,898,000	$ 10,253,000
Income taxes	3,970,000	4,410,000
Inc.-cont. oper.	$ 5,928,000	$ 5,843,000
Loss-dicont. oper.	(3,300,000)	(737,000)
Net Income	$ 2,628,000	$ 5,106,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,697,000 in 1982 and $1,947,000 in 1981.
‡ Restated.

Assets

As of	4/2/82	3/27/81 ‡
Cash	$ 259,000	$ 786,000
Marketable securities	—	2,455,000
Receiv., net	27,639,000	21,935,000
*Inventories	26,681,000	20,018,000
Deferred income taxes	1,212,000	—
Prepaid expenses	1,329,000	860,000
Current Assets	$ 57,120,000	$ 46,054,000
#Fixed assets	13,856,000	11,678000
Intangibles, net	2,530,000	3,419,000
Other assets	2,035,000	1,590,000
Total Assets	$ 75,541,000	$ 62,741,000

Liabilities

Notes payable	$ 5,088,000	$ 4,626,000
Long-term debt, curr.	268,000	262,000
Accts. payable	6,909,000	5,695,000
Accruals	4,211,000	2,257,000
Contigency reserve-discont. operations	1,760,000	—
Employee compens.	2,558,000	3,664,000
Income taxes	—	849,000
Curr. Liabilities	$ 20,794,000	$ 17,353,000
Long-term debt	19,328,000	12,342000
+Common stock	1,319,000	1,291,000
Add. paid-in capital	16,917,000	15,973,000
Retained earnings	17,183,000	15,782,000
Total Liabilities & Shareholders' Equity	$ 75,541,000	$ 62,741,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	7.42	15.45
Sales to Inventories	3.52	4.06
Working Capital	$36,326,000	$28,701,000
Current Ratio	2.75	2.65

Norlin Corporation

Westchester One
White Plains, New York 10601
(914) 683-0001

Norlin Corporation

Officers: Norton Stevens, chairman of the board, president & chief exec. officer; Gilbert A. Simpkins, David B. Nichinson, sr. v.p.'s; James J. Connors, Martin D. Locke, v.p.'s; Zachary Maruntis, v.p. & general counsel; Charles A. Butler, treasurer; Stewart E. Lavey, secretary; Donald L. Flamm, controller, Robert A. Butler, treasurer.

Directors: James McGuiness, Harold Krensky, Edward R. McPherson, Jr., Katharine T. O'Neil , Eli Shapiro, Gilbert A. Simpkins, David B. Nichinson, Norton Stevens.

Areas of Work: Engaged in the processing of selected materials, design and manufacture of instruments and devices and the development of advanced electronic equipment for industrial and government markets.

Government Group: Engaged in the engineering, development and manufacture of advanced special purpose surveillance receivers and electronic switching systems. In addition to basic receivers, the product line includes switching matrices, multicouplers, amplifiers, signal processing and display components. Also provides microwave oscillators and specified transmitters and receivers for application in ground and airborne communications, radar and test equipment.

Industrial Group: Produces natural and synthetic quartz crystal blanks sold directly to manufacturers of crystal oscillators and filters, products which are used in the communications, electronics and watch industries to regulate frequencies in systems. Also sells precision finishing equipment, which is used primarily in silicon, ceramic, ferrite, metal and quartz finishing operations.

Designs and manufactures circuit breakers and motor protectors for commercial military aircraft, spacecraft, appliance motors, appliances, computer equipment and other commercial and industrial products. Also manufactures circuit protection devices for low-power household and industrial equipment, component circuits, and household appliances; AC power sources, frequency converters and line regulators under the Cimron trademark; multichannel monitor oscilloscopes and special measurement systems.

Subsidiaries:

Norlin Industries, Inc.
Manufactures keyboard instruments, fretted instruments, moog synthesizers.

Norlin Communications
Electronic surveillance equipment and systems.

Keltec Florida
Specialized high performance power sources.

P.R. Hoffman
Processors of quartz and other crystalline materials.

Carbide
Tungsten carbide preforms for die and wear applications.

National Carbide Die
Tools and dies for compacting powder metal parts.

Mechanical Products
Circuit protection devices.

California Instruments
Instruments for measurement and control functions, specialized power and frequency sources.

Norlin International
Casilla No. 8379
Guayaquil 395 233
Ecuador
Brewer of Pilsener, Club, Malta and Lowenbrau beer.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: NRL

Number of Employees:

1981	3,800	1978	6,200
1980	5,700	1977	6,000
1979	6,100		

Sales and Earnings

	Net Sales	Net Income
1981	$ 220,912,000	$ 18,195,000
1980	275,522,000	(3,866,000)
1979	274,874,000	9,795,000
1978	269,042,000	9,213,000
1977	238,937,000	9,011,000

	No. of Com. Shares †	Earn. per Share †
1981	1,925,000	$ 9.45
1980	1,880,000	—
1979	1,879,000	5.21
1978	1,878,000	4.91
1977	1,875,000	4.81

(Loss)
† Based on the average number of common shares outstanding.

Revenues By Line of Business

	1981 (000's)	% (000's)	1980	%
Music	126,900	57	128,000	46
International	94,000	43	88,500	33
Technology	—	0	59,000	21
Total	220,900	100%	275,500	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$—	—	—
1980	0.80	—	—
1979	1.60	—	—
1978	1.60	—	—
1977	1.3625	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 111,191,000	$ 57.76
1980	92,681,000	49.30
1979	98,031,000	52.17
1978	91,241,000	48.57
1977	85,000,000	45.33

Income Account *
(000's)

Year ended Dec. 31	1980	1979
Net sales	$ 275,522	$ 274,874
Other income	7,328	5,721
Total Income	$ 282,850	$ 280,595
Cost of sales	186,919	181,572
Expenses	68,320	61,816
Depreciation & amortization	8,594	6,208
Interest expense	12,711	8,549
Other expenses	424	404
Income before taxes	$ 5,882	$ 22,046
Income taxes	4,956	6,818
Minority interest	4,792	5,433
Net Income (Loss)	(3,866)	9,795

Assets
(000's)

As of Dec. 31	1980	1979
Cash	$ 15,382	$ 11,156
Marketable securities	2,512	6,913
Receivables	35,441	42,118
*Inventories	58,358	58,589
Prepaid expenses	9,216	9,050
Current Assets	$ 120,909	$ 127,826
# Fixed assets	77,245	75,121
Other assets	3,987	4,148
Intangibles	30,424	31,331
Total Assets	$ 232,565	$ 238,426

Liabilities
(000's)

Notes payable	$ 1,421	$ 10,183
Long-term debt, curr.	4,323	5,627
Accts. payable	4,477	11,723
Income taxes	3,459	3,096
Other taxes & expenses	16,083	24,912
Curr. Liabilities	$ 37,000	$ 55,541
Long-term debt	90,056	69,742
Minority interest	9,597	8,575
Deferred taxes & other liabilities	3,231	6,537
+ Common stock	10,501	10,491
Add. paid-in capital	16,034	16,025
Retained earnings	70,175	75,544
Treasury stock	(4,029)	(4,029)
Total Liabilities & Shareholders' Equity	$ 232,565	$ 238,426

# Less accumulated depreciation and amortization.
* At LIFO (55%); remainder at FIFO or average cost methods.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.13	8.02
%Net Income to Sales	—	3.56
%Net Income to Equity	—	9.99
Sales to Inventories	4.72	4.69
Working Capital	$ 83,909,000	$ 73,285,000
Current Ratio	3.27	2.34
Shareholders' Equity	$ 92,681,000	$ 98,031,000

Nortek, Inc.

815 Reservoir Avenue
Cranston, Rhode Island 02910
(401) 943-1500

Officers: Ralph R. Papitto, chairman of the board & chief exec. officer; Richard L. Bready, president, chief financial & chief operating officer; Edward J. O'Neil, v.p.; Edward M. Cimilluca, sr. v.p.-corp. planning & development; Leo Goldberg, Edward W. Ricci, vice presidents; Donald E. Johnson, vice president-Wire and Cable Group; Almon C. Hall, v.p., controller & chief accounting officer; Virginia P. Johnson, secretary; Richard J. Harris, treasurer.

Directors: Ralph R. Papitto, Richard L. Bready, Philip B. Brooks, John A. Dodenhoff, Leo Goldberg, Edward W. Ricci, Thomas J. Paolino, David J. Stone.

Areas of Work: The industrial products group is engaged primarily in the manufacture and sale of rotary drill pipe, industrial wire and cable, building wire, insulated flexible steel conduit, and armored cable for use in electrical installations in a broad range of industries. The consumer products group includes (a) quarrying, production and sale of rough and finished granite products for finished monuments, markers, mausoleums, and civic memorials, and (b) the design, manufacture and sale of decorative and functional products for infants, juveniles and adults, such as costumes, music boxes, mobiles, animated musical lamps, and specialty lamps. The Company's services group is engaged in the dyeing, finishing and printing of textile goods.

Divisions and Subsidiaries:

Duro Companies
Chace Street
Fall River, Massachusetts

Sanford Finishing Corp.
Sanford, North Carolina

Duro Finishing Corp.
Fall River, Massachusetts

Duro Textile Printers, Inc.
Fall River, Massachusetts

Gray Textile Corp.
Fall River, Massachusetts

Pioneer Finishing Corp.
Fall River, Massachusetts

Stretch Yarns, Inc.
Fall River, Massachusetts

American Flexible Conduit Division
Samuel Barnett Boulevard
New Bedford, Massachusetts

Broan Mfg. Co., Inc.
West State Street
Hartford, Wisconsin

Glasselum
N.W. 71st Street
Miami, Florida

Rock of Ages Corporation
Barre Town, Vermont

Rock of Ages Building Granite Corporation
Concord, New Hampshire

Kurtz Monument Company
Steubenville, Ohio

Fairfax Granite, Inc.
Mountain Park, Oklahoma

Fairmont Granite, Limited
Beebe, Quebec, Canada

Tooltech, Inc.
Columbia Avenue
Minneapolis, Minnesota

Transfer Agent(s):

State Street Bank and Trust
Boston, Massachusetts 02101

Stock Exchange(s): American

Ticker Symbol: NTK

Sales and Earnings

	Net Sales	Net Income
1981	$ 267,883,000	$ 9,600,000
1980	143,777,000	4,200,000
1979	117,956,000	3,750,000
1978	88,807,000	3,000,000
1977	75,964,000	(1,842,000)

	No. of Com. Shares	Earn. per Share ‡‡
1981	3,893,000	$ 2.75
1980	2,941,000	1.41
1979	2,982,000	1.32
1978	2,701,000	1.14
1977	2,602,000	—

(Loss)
‡‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Wire and cable	$ 51,466,000	$ 53,132,000
Granite products	26,150,000	21,915,000
Textile services	47,5[illegible]5,000	37,312,000
Rotary drill pipe products	52,757,000	19,908,000
Other	88,003,000	5,145,000
Building products	2,002,000	6,365,000
Total	$ 267,883,000	$ 143,777,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.08	—	—
1980	0.08	—	—
1979	0.07	—	—
1978	0.06	—	—
1977	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 61,661,000	$ 15.84
1980	41,786,000	14.21
1979	38,146,000	12.79
1978	32,314,000	11.97
1977	28,660,000	11.01

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 267,883	$ 143,777
Cost of sales	204,404	115,578
Expenses	39,897	16,972
Interest & debt expense	7,482	5,127
Income bef. taxes	$ 16,100	$ 6,100
Income tax	6,500	1,900
Net Income	$ [illegible]	$ 4,200

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $4,942,000 in 1981 and $3,405,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term invest.	$ 13,032	$ 9,176
Accts. receivable	42,910	25,660
*Inventories	43,701	28,379
Current Assets	$ 99,643	$ 63,215
#Fixed assets	52,153	36,101
Other assets	10,107	5,514
Intangibles	12,621	8,132
Total Assets	$ 174,524	$ 112,962

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 2,818	$ 1,496
Accts. payable	21,404	15,207
Accruals	22,217	6,798
Curr. Liabilities	$ 46,439	$ 23,501
Long-term debt	28,615	10,706
Subord. deben.	31,053	31,096
Other liabilities	6,756	5,873
+Common stock	4,406	3,454
Add. paid-in capital	34,576	24,961
Retained earnings	26,753	17,445
Treasury stock	(4,074)	(4,074)
Total Liabilities & Shareholders' Equity	$ 174,524	$ 112,962

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.01	4.24
%Net Income to Sales	3.58	2.92
%Net Income to Equity	15.56	10.05
Sales to Inventories	6.12	5.07
Working Capital	$53,204,000	$39,714,000
Current Ratio	2.14	2.69
Shareholders' Equity	$61,661,000	$41,786,000

North American Philips Corporation

100 East 42nd Street
New York, New York 10017
(212) 697-3600

Officers: Pieter C. Vink, chairman of the board; Frank L. Randall, Jr., vice chairman; Cees Bruynes, president & chief exec. officer; Frank Hopkins, Edward Klein, Kenneth C. Meinken, Jr., exec. v.p.'s; Robert G. Dettmer, Robert T. Cavanagh, sr. v.p.'s; Richard A. Desmone, sr. v.p.; Robert T. Dunn, sr. v.p.; Wallace E.J. Collins, vice president, secretary & general counsel; Frederik Engel, Charles E. Ferguson, Norman A. Neumann, John C. Messerschmitt, Daniel F. Minahan, James M. Whelan, Joseph P. Horn, St. Clair M. Marshall, Albert A. Ruttner, Donald L. Hamilton, vice presidents; Stanley I. Cundey, Jr., v.p. & treasurer; James S. Cole, v.p. & controller; J. Douglas Keill, assistant treasurer; Joseph C. Miranda, asst. secretary; Bruce D. Bengston, asst. controller.

Directors: Edward J. Boling, Fletcher L. Byrom, Frank Chapman, Robert G. Dettmer, Lewis A. Lapham, Frederick S. Leinbach, Robert L. Newell, Blake T. Newton, Jr., Pieter C. Vink, Hamilton B. Mitchell, Madeleine M. Gardner, Robert A. Powers.

Areas of Work: The Company is engaged in three basic areas: consumer products and services; electrical/electronic components; and professional equipment.

Divisions and Subsidiaries:

Advance Transformers Company
2950 North Western Avenue
Chicago, Illinois 60618
Ballasts for fluorescent and high intensity discharge lamps; dimming and control systems; power units for microwave cooking.

Alliance Manufacturing Company, Inc.
22790 Lake Park Boulevard
Alliance, Ohio 44601
Remote control garage door openers; TV antenna rotators; subfractional and fractional horsepower motors for business machines, phonographs and home appliances; consumer protective devices.

Amperex Electronic Corporation
Slatersville, Rhode Island
Electron tubes, electro-optical devices; semiconductors; integrated circuits; electronic components.

Chicago Magnet Wire Corp.
901 Chase Avenue
Elk Grove Village, Illinois 60007
Insulated copper and aluminum magnet wire and plastic insulated wire and cable for use in electronic industries.

Consumer Products Division
Stamford, Connecticut
Norelco ® electric shavers; hearing aids; personal care and home appliances; electrical housewares; tape recorders and blank cassettes; AKG ® microphones and headphones, Norelco Service, Inc. for service, parts and accessories.

Dialight
100 East 42nd Street
New York, New York 10017
Indicator lights; switches, numeric readouts; LED devices.

Electrical Industries
691 Central Avenue
Murray Hill, New Jersey 07974
Hermetic glass-to-metal seals for component manufacturers; glass preforms; wire preforms; metal stampings; coined component parts; screw machine products.

Mepco/Electra, Inc.
Columbia Road
Morristown, New Jersey 07960
Metal film, carbon film, wire and power resistors, hermetically-sealed glass resistors; miniature ceramic capacitors; resistor networks; aluminum electrolytic capacitors; film capacitors; variable capacitors; non-linear resistors, carbon film potentiometers; cermet potentio-meters; cermet fuses; connectors.

Kulka Electric Corp.
633 South Fulton Avenue
Mount Vernon, New York 10550
Terminal boards and wire devices; toggle switches; fixture-sockets and lampholders; flashers and general purpose electrical devices.

Magnavox Consumer Electronics Company
Knoxville, Tennessee
Manufactures home entertainment products including complete television-stereo consoles, radio-phonograph components and component systems, portable table and clock radios, tape recorders, cassette changers and accessories.

Magnavox Government and Industrial Electronics Company
1700 Magnavox Way
Fort Wayne, Indiana 46804

North American Philips Corporation

Engaged in the areas of defense communications, minicomputers and computer terminals, airborne submarine surveillance systems and position-location and navigation systems.

North American Philips Controls Corp.
Cheshire Industrial Park
Cheshire, Connecticut 06410

Electro-mechanical and electronic timing and control systems; timing, control and stepper motors; aircraft timing systems; microminiature and subminiature electro-mechanical and electronic relays.

North American Philips Lighting Corporation
Bank Street
Hightstown, New Jersey 08520

Mercury vapor lamps, sodium lighting products, reflector-type lamps; projection lamps for movies and slides; spotlights and floodlights; flashbulbs; miniature and sub-miniature lamps; sun lamps; heat lamps; household bulbs; fluorescent lamps; special discharge lamps; lighting fixtures.

Ohmite Manufacturing Company
3601 Howard Street
Skokie, Illinois 60076

Wirewond power resistors and rheostats; power tap switches, variable transformers; relays; solid state power controls and other components.

Philips Business Systems, Inc.
Woodbury, New York 11797

Dictation systems including desk, portable and pocket models; intercom equipment; pocket paging systems; office computers and peripherals.

Philips Electronic Instruments, Inc.
Mahwah, New Jersey 11797

Analytical instrumentation and systems; transmission electron microscopes; X-ray diffraction and spectrographic equipment; X-ray radiograhic equipment: IRS, UV

VIS and AA spectrophotometers; liquid chromatographs; air and water pollution monitors; X-ray baggage inspection equipment; canning electron microscopy.

Philips Elmet Corporation
Lisbon Road
Lewiston, Maine 04240

Refractory metals; tungsten and molybdenum powder, wire, rod and sheet fabricated parts, welding electrodes; magnet wire and diamond dies.

Centralab, Inc.
Milwaukee, Wisconsin

CSD, Inc.
Piscataway, New Jersey

Philips Laboratories
345 Scarborough Road
Briarcliff Manor, New York 10510

Research and development in electro-optics with related programs in solid state electronics and instrumentation.

American Color & Chemical Corporation
Charlotte, North Carolina

Anchor Brush Company, Inc.
Montgomery, Illinois

Baker, Knapp & Tubbs, Inc.
Chicago, Illinois

Carolina Coach Company
Raleigh, North Carolina

Philips ECG, Inc.
Seneca Falls, New York

N.A.P. Commercial Electronics Corp.
Waltham, Massachusetts

The Selmer Company
Elkhart, Indiana

Philips Medical Systems, Inc.
710 Bridgeport Avenue
Shelton, Connecticut 06484

Diagnostic and therapeutic X-ray systems for medical, dental, podiatry and veterinary applications; medical electronic systems; hospital planning and equipment and supplies consulting.

Herman H. Smith, Inc.
812 Snediker Avenue
Brooklyn, New York 11207

Electronic components for electrical and electronic manufacturers; switches, plugs, mounting accessories; electronic educational kits.

Transfer Agent(s):

Irving Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: NPH

Number of Employees:

1981	49,021	1978	36,903
1980	43,448	1977	34,645
1979	37,443		

Sales and Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1981	$ 3,030,044	$ 78,518
1980	2,171,379	74,383
1979	1,918,551	78,331
1978	1,700,035	55,826
1977	1,473,594	51,871

	No. of Com. Shares	Earn. per Share ‡#
1981	13,680,967	$ 5.79
1980	13,162,218	5.69
1979	13,012,166	6.02
1978	12,940,762	4.32
1977	12,897,121	4.02

‡ Including extraordinary gains of $2,439,000 ($0.19 per share) in 1977.

# Based on weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Consumer electronics	$ 993,169	$ 407,816
Elec. consumer prods.	380,354	373,341
Other consumer prods. & services	213,558	183,178
Electrical & electronic components	752,206	677,131
Professional equipments	690,757	529,913
Total	$ 3,030,044	$ 2,171,379

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.70	—	—
1980	1.70	—	—
1979	1.65	—	—
1978	1.50	—	—
1977	1.50	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1981	$ 732,194	$ 53.52
1980	630,672	47.92
1979	571,393	44.04
1978	510,075	39.46
1977	459,345	35.81

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 3,030,044	$ 2,171,379
Cost of sales	2,288,969	1,591,634
Expenses	555,105	412,546
Other income	(10,126)	(4,586)
Interest expense	66,317	37,729
Other expense	—	4,774
Income before taxes	$ 129,779	$ 129,282
Income taxes	51,261	54,899
Income from cont. oper.	$ 78,518	$ 74,383
Income from discont. oper.	25,456	105
Net Income	$ 103,974	$ 74,488

*Including in Costs and Expenses, Depreciation and Amortization: $52,759,000 in 1981 and $38,640,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 5,809	$ 29,638
Accts. & notes receiv., net	674,174	541,932
Deferred tax benefits	19,199	12,318
* Inventories	668,644	524,744
Prepaid expenses	23,534	12,213
Due from parent	6,769	10,034
Current Assets	$ 1,398,129	$ 1,130,879
Notes & accts. receiv.	17,616	4,493
Investments & advances	5,339	8,947
#Fixed assets	383,670	341,219
Net assets	24,806	14,837
Other assets	24,528	17,530
Total Assets	$ 1,854,088	$ 1,517,905

Liabilities
(000's)

Notes payable	$ 78,528	$ 45,326
Long-term debt, curr.	30,561	4,778
Accts. payable	137,083	129,373
Accruals & other liabilities	267,236	180,389
Dividends payable	5,814	5,585
Income taxes	19,567	6,684
Due to affiliates	24,420	23,068
Curr. Liabilities	$ 563,209	$ 395,203
Long-term debt	325,016	306,271
Minority interest	177,000	150,836
Deferred income taxes	45,661	32,283
Other liabilities	11,008	2,640
+ Common stock	73,744	71,150
Add. paid-in capital	146,316	126,385
Retained earnings	531,948	452,951
Treasury stock	(19,814)	(19,814)
Total Liabilities & Shareholders' Equity	$ 1,854,088	$ 1,517,905

* At lower of cost or market.

# Less accumulated depreciation.

+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.95
%Net Income to Sales	—	3.43
%Net Income to Equity	14.20	11.81
Sales to Inventories	4.53	4.14
Working Capital	$834,920,000	$735,676,000
Current Ratio	2.48	2.86
Shareholders' Equity	$732,194,000	$630,672,000

North Atlantic Industries, Inc.

60 Plant Avenue
Hauppauge, New York 11787
(516) 582-6500

Officers: Malcolm D. Widenor, president; Walter Lipkin, vice president and treasurer-secretary; Joel Kramer, v.p.; Arthur Freilich, v.p.-engineering; Jay S. Truesdell, v.p.-industrial relations; William C. Kugler, controller; Ken Salz, director of sales & marketing instruments.

Directors: Walter Lipkin, Malcolm D. Widenor, John D. May.

Areas of Work: Design and manufacture of electronic instrumentation for the measurement of complex A.C. signals; applications involve computer processing, control systems and data readout systems.

Divisions and Subsidiaries:

Qantex Division

Engaged in the production of peripheral computer equipment. Products include magnetic tape storage systems, magnetic tape drives and accessory interface products.

Instrument Division

Instrument products include specialized analog/digital signal processing equipment used for test, control and maintenance in the aerospace, military and commercial avionic markets.

North Atlantic/ACS Division

Markets digital products and systems, for the microcomputer market. The product line consists of DEC compatible (Q-Bus) Microchassis, Power Supplies, Microcomputers and other support cards which are sold to industry, reseach laboratories and universities.

Transfer Agent(s):

The American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NATL (NASDAQ)

Number of Employees:

1980	341	1978	378
1979	403		

Plant Footage:

1980	66,000 sq. ft.	1978	66,00C
1979	66,000		

Sales and Earnings

	Net Sales	Net Income #
1980	$ 13,829,000	$ (179,000)
1979	14,035,000	735,000
1978	12,034,000	601,000
1977	8,576,000	362,000
1976	5,623,000	7,435

	No. of Com. Shares	Earn. per Share + #
1980	1,165,890	$ —
1979	1,151,540	0.70
1978	895,440	0.64
1977	892,190	0.40
1976	892,190	0.08

(Loss)

+ Based on the average number of common shares outstanding.

# Including extraordinary gain of $31,000 ($0.03 per share) in 1976.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 3,380,000	$ 2.90
1979	3,535,000	3.07
1978	1,769,000	1.98
1977	1,164,000	1.30
1976	802,058	0.90

Income Account *

Year ended	12/27/80	12/29/79
Net sales	$ 13,829,000	$ 14,035,000
Cost of sales	9,646,000	8,713,000
Expenses	4,274,000	3,676,000
Interest expenses	435,000	371,000
Income(loss) before taxes	(526,000)	1,275,000
Income taxes (credit)	(347,000)	540,000
Net Income (Loss)	(179,000)	735,000

* Included in Costs and Expenses, Depreciation and Amortization: $255,000 in 1980 and $176,000 in 1979.

Assets

As of	12/27/80	12/29/79
Cash	$ 140,000	$ 229,000
Accts. receiv., net	2,370,000	2,039,000
* Inventories	3,863,000	3,771,000
Inc. taxes receiv.	400,000	—
Other assets	121,000	67,000
Current Assets	$ 6,894,000	$ 6,106,000
# Fixed assets	2,126,000	2,041,000
‡ Leased assets	651,000	574,000
Other assets & deposits	32,000	44,000
Intangibles	176,000	223,000
Total Assets	$ 9,879,000	$ 8,988,000

Liabilities

	12/27/80	12/29/79
Long-term debt, curr.	$ 107,000	$ 203,000
Loan payable	—	778,000
Accts. payable	1,880,000	1,290,000
Accrued payroll & commissions	160,000	157,000
Obligations under cap. leases	158,000	132,000
Other liabilities	388,000	484,000
Inc. taxes payable	—	136,000
Curr. Liabilities	$ 2,693,000	$ 3,180,000
Long-term debt	3,211,000	1,685,000
Obligations under cap. leases	434,000	407,000
Def. income taxes	161,000	181,000
+ Common stock	117,000	115,000
Add. paid-in capital	1,328,000	1,306,000
Retained earnings	1,935,000	2,114,000
Total Liabilities & Shareholders' Equity	$ 9,879,000	$ 8,988,000

* At lower of cost or market. Cost is determined by LIFO in 1980 and FIFO in 1979.

# Less accumulated depreciation and amortization.

‡ Less accumulated depreciation.

+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.08
%Net Income to Sales	—	5.24
%Net Income to Equity	—	20.79
Sales to Inventories	3.58	3.72
Working Capital	$ 4,201,000	$ 2,926,000
Current Ratio	2.56	1.92
Shareholders' Equity	$ 3,380,000	$ 3,535,000

North Hills Electronics, Inc.

Alexander Place
Glen Cove, New York 11542
(516) 671-5700

Officers: Leo Staschover, president & treasurer; Michael T. Pappas, vice president; Jack E. Israeloff, secretary.

Directors: Leo Staschover, Jack E. Israeloff, Michael T. Pappas.

Areas of Work: Product lines and services include ultra-stable DC current/voltage sources; computer-controlled DC instrumentation; voltage-to-frequency and frequency-to-voltageconverters; electronic integrators; wideband transformers, hybrids, power adders and dividers; fixed and adjustable inductors; directional couplers; linear logarithmic amplifiers, and integrated microwave assemblies.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,152,703	$ 198,304
1980	1,522,662	134,338
1979	844,712	73,314
1978	887,145	75,191
1977	734,713	56,901

	No. of Com. Shares	Earn. per Share #
1981	329,228	$0.60
1980	329,228	0.41
1979	329,228	0.22
1978	329,228	0.23
1977	329,228	0.17

# Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 927,163	$2.82
1980	728,859	2.21
1979	594,521	1.81
1978	521,207	1.58
1977	459,883	1.40

Income Account *

Year ended Jan. 31	1981	1980
Net sales	$ 2,152,703	$ 1,522,662
Cost of sales	1,432,413	1,082,360
Expenses	429,559	271,755
Other income	(23,328)	(36,034)
Income before taxes	$ 314,059	$ 204,581
Income taxes	115,755	70,243
Net Income	$ 198,304	$ 134,338

* Included in Costs and Expenses, Depreciation: $75,604 in 1981 and $57,812 in 1980.

Assets

As of Jan. 31	1981	1980
Cash	$ 175,317	$ 73,528
Marketable securities	159,028	196,339
Accts. receiv., net	335,658	316,679
* Inventories	363,797	293,918
Prepaid expenses	12,861	27,630
Current Assets	$ 1,046,661	$ 908,094
# Fixed assets	763,909	535,544
New construction payments	29,095	30,350
Total Assets	$ 1,839,665	$ 1,473,988

Liabilities

	1981	1980
Long-term debt, curr.	$ 25,576	$ 10,000
Accts. payable	315,319	162,842
Income taxes payable	40,143	32,287
Curr. Liabilities	$ 381,038	$ 205,129
Long-term debt	531,464	540,000
+ Common stock	3,292	3,292
Add. paid-in capital	245,120	245,120
Retained earnings	678,751	480,447
Total Liabilities & Shareholders' Equity	$ 1,839,665	$ 1,473,988

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.59	13.44
%Net Income to Sales	9.21	8.82
%Net Income to Equity	21.39	18.43
Sales to Inventories	5.92	5.18
Working Capital	$ 665,623	$ 702,965
Current Ratio	2.75	4.43
Shareholders' Equity	$ 927,163	$ 728,859

Northern Telecom Limited

33 City Centre Drive
Mississauga, Ontario L5B 3A2
Canada
(416) 275-0960

Officers: A. Jean de Grandpre, chairman of the board; Walter F. Light, president & chief executive officer; Walter C. Benger, exec. v.p.-marketing & technology; Robert A. Ferchat, exec. v.p.-finance & administration; Charles G. Millar, exec. v.p.-operations; Donald A. Chisholm, president-innovation & development; vice presidents: Clive V. Allen, general counsel, Roy T. Cottier-corporate relations, J. Derek M. Davies-business development, F. Robert Dyer-market development, Ronald A. Hunter-operations planning, John D. MacDonald-manufacturing & technology, Edward B. Matthews-business systems, R. Brian O'Regan-public affairs, John J. Rankin-human resources, Lloyd A. Taylor-semiconductor components; David W. Kendall, Jr., treasurer; Anthony J. Lafleur, secretary; Donald K. Peterson, controller.

Directors: A. Jean de Grandpre*, chairman; Ian A. Barclay, David W. Barr, William O. Beers, George L. Demers, Edmund B. Fitzgerald, J. Douglas Gibson, Donald S. Harvie, Robert S. Hurlbut*, Ealyrt G. Light*, Clifford S. Malone*, John H. Moore*, William L. Naumann, Charles Perrault, Gerard Plourde, Walter M. Robinson, Jr., Robert C. Scrivener, James C. Thackeray*.

* Member of the Executive Committee.

Areas of Work: Electromechanical and electronic analog and digital switching systems; cable systems; optoelectronic systems; channel banks; repeaters; fuses; relays; dryreed relays; power equipment; printed-circuit boards and packs; step-by-step switching systems; sheet metal and piece parts; networks and sensors; residential and business telephones and components; electronic equipment and test sets; analog and digital transmission equipment; multiplex, voice frequency and radio equipment; capacitors; protectors; custom large-scale-integrated circuits; distributed data processing terminals and systems, disks and disk storage devices, video displays, printers, magnetic tape drives, software development, printed circuit boards, on-line terminal systems, remote batch and multi-function terminal systems; private switching networks; test equipment, data communications diagnostic systems, analog and digital private branch exchanges.

Divisions and Subsidiaries:

Bell-Northern Research Ltd.
3500 Carling Avenue
Ottawa, Ontario K1Y 4H76E4
Canada
(613) 596-2210

BNR Inc.
685A East Middlefield Road
Mountainview, California 94043
(415) 969-9170

Data 100 Europe B.V.
Hamilton House
111 The Marlowes
Hemel Hempstead
Hertfordshire, England HPu.c. 1BB

Northern Telecom A.G.
Drahtzugstrasse 18
8008 Zurich, Switzerland

Northern Telecom (Asia) Limited
Malayan Credit House
96 Somerset House
Singapore 0923

Northern Telecom (CALA) Corporation
8375 N.W. 53rd Street
Miami, Florida 33166
(305) 592-7570

Northern Telecom Canada Limited
304 The East Mall
Islington, Ontario M9B 6E4
Canada

Northern Telecom Inc.
259 Cumberland Bend
Nashville, Tennessee 37228
(615) 256-5900

Northern Telecom (Middle East) Limited
Langton House
Market Street
Maidenhead, Berkshire
England

Northern Telecom France S.A.
185 Avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
France

Northern Telecom (Ireland) Limited
49 St. Stephen's Green
Dublin 2, Ireland

Transfer Agent(s):

Northern Telecom Limited
1050 Beaver Hall Hill
Montreal, Quebec, Canada

Northern Telecom Limited
393 University Avenue
Toronto, Ontario, Canada

Montreal Trust Company
Halifax, Winnipeg, Regina, Calgary & Vancouver, Canada

Manufacturers Hanover Trust Company
New York, New York

Continental Illinois National Bank and Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Montreal, New York, Toronto, Vancouver

Ticker Symbol: NT (New York); NTL (Montreal, Toronto, Vancouver)

Number of Employees:

1981	35,444	1978	31,756
1980	31,915	1977	24,962
1979	33,30[illegible]		

Sales and Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1981	$ 2,570,875	$ 136,657
1980	2,054,561	(185,155)
1979	1,900,522	113,472
1978	1,504,560	100,728
1977	1,221,922	85,255

	No. of Com. Shares +	Earn. per Share + ‡
1981	34,628,544	$ 3.95
1980	33,795,140	—
1979	30,655,915	3.70
1978	28,343,538	3.55
1977	26,469,000	3.22

(Loss)
+ Based on average number of shares outstanding.
‡ Including extraordinary loss of $163,759 in 1980 and extraordinary gains of $16,000 ($0.46 per share) in 1981, $6,344,000 ($[illegible]22 per share) in 1978 and $3,422,000 ($0.13 per share) in 1977.

Revenues By Line of Business
(000's)

	1981	1980
Telecommunications equip.	$ 2,248,500	$ 1,751,200
Electronic office systems	274,200	259,000
Other (principally research & development)	48,200	44,400
Total	$ 2,570,900	$ 2,054,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.00	—	—
1980	1.00	—	—
1979	0.85	—	—
1978	0.74	—	—
1977	0.66	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 853,456,000	$ 24.65
1980	728,314,000	21.55
1979	917,615,000	29.93
1978	632,566,000	22.32
1977	468,601,000	17.70

‡ Based on average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,570,900	$ 2,054,561
Cost of sales	1,842,400	1,550,430
Expenses	540,900	482,390
Other income	(31,000)	(10,484)
Interest expense	64,200	44,916
Unrealized currency gains	2,000	1,211
Income (loss) before taxes	$ 156,500	$ (13,902)
Income taxes	35,800	7,494
Net Income (loss)	$ 120,700	$ (21,396)
Extraord. loss	16,000	163,759
Net Income (loss) & extraord. loss	$ 136,700	$ (185,155)

* Included in Costs and Expenses, Depreciation and Amortization: $119,800,000 in 1981 and $119,600,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 26,100	$ 13,364
Accts. receiv., net	506,200	418,577
*Inventories	614,900	548,735
Prepaid expenses	10,700	11,293
Tax benefit	—	32,607
Deferred income taxes	12,000	25,196
Current Assets	$ 1,169,900	$ 1,049,772
Long-term receiv.	29,000	33,143
Investments	359,500	371,762
#Fixed assets	559,800	497,928
Other assets	29,100	33,001
Total Assets	$ 2,147,300	$ 1,985,606

Liabilities
(000's)

	1981	1980
Notes payable	$ 59,400	$ 132,401
Long-term debt, curr.	57,100	7,709
Accts. payable	480,100	433,229
Income taxes	41,200	4,593
Due to non-consol. subsid.	30,600	19,101
Current Liabilities	$ 668,400	$ 597,033
Long-term debt	246,000	321,712
Non-consolid. subsid.	276,300	236,793
Research investment contracts	12,100	—
Minority interest	12,300	12,063
Deferred income	4,700	3,212
Deferred inc. taxes	74,100	86,479
+ Common stock	496,700	473,606
Retained earnings	356,700	254,708
Total Liabilities & Shareholders' Equity	$ 2,147,300	$ 1,985,606

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.09	—
%Net Income to Sales	4.69	—
%Net Income to Equity	14.14	—
Sales to Inventories	4.18	3.74
Working Capital	$501,500,000	$452,739,000
Current Ratio	1.75	1.76
Shareholders' Equity	$853,400,000	728,314,000

Northrop Corporation

1800 Century Park East
Century City
Los Angeles, California 90067
(213) 553-6262

Officers: Thomas V. Jones, chairman of the board & chief executive officer; Frank W. Lynch, president & chief operating officer; John B. Campbell, v.p. & controller; Frank Caramelli, v.p. & president - Wilcox Electric, Inc.; Les Daly, v.p. - public affairs; Stanley Ebner, v.p. & manager - Washington office; William M. Elliott, sr. v.p. & general counsel; David N. Ferguson, group v.p. - Tactical & Electronic Systems Group; Welko E. Gasich, sr. v.p. - advanced projects; C. Robert Gates, v.p. - international; Sheila M. Gibbons, secretary; Manuel G. Gonzalez, v.p. & asst. gen. mgr. - Aircraft Division; George H. Hage, v.p. & gen. mgr. - Electro-Mechanical Division; Gene W. Hauser, v.p. & gen. mgr. - Electronics Division; Donald A. Hicks, sr. v.p. - marketing & technology; Roy P. Jackson, v.p. & gen. mgr. - Aircraft Division; L. Bruce James, v.p. & gen. mgr. - Ventura Division; Kent Kresa, group v.p. - Aircraft Group; Milton Kuska, v.p. - Aircraft Division marketing, logistic support & F5E/F Programs; Richard B. Lohrer, treasurer; F.J. Manzella, v.p. & gen. mgr. - Aircraft Services Division; Thomas A. McDougall, v.p. - International Business Operations; William G. McGagh, sr. v.p. - finance; Donald A. McInnis, v.p. & president - Northrop Services, Inc.; John Patierno, v.p. & gen. mgr. - Advanced Systems Division; John J. Richardson, v.p. - industrial relations; James M. Ricketts, v.p.; Wallace C. Solberg, v.p. & gen. mgr. - Defense Systems Division; James E. Ware, v.p. & president - Northrop Architectural Systems; Donald D. Warner, v.p. - materiel, facilities & services; Joseph Yamron, v.p. & gen. mgr. - Precision Products Division.

Directors: Thomas V. Jones, chairman; William F. Ballhaus*, Thomas C. Barger*, Richard J. Flamson III, Ivan A. Getting, Earle M. Jorgensen, T.M. McDaniel, Jr.*, Richard W. Millar*, O. Meredith Wilson*, Richard E. Horner, Charles W. Robinson.

*Member of the Executive Committee.

Divisions:

Aircraft Division
One Northrop Avenue
Hawthorne, California 90250
Aircraft research, development and manufacturing.

Aircraft Services Division
One Northrop Avenue
Hawthorne, California 90250
Aircraft services, support, and training.

Advanced Systems Division
One Northrop Avenue
Hawthorne, California 90250
Advanced systems research and development.

Defense Systems Division
600 Hicks Road
Rolling Meadows, Illinois 60008
Military defense electronic systems.

Precision Products Division
100 Morse Street
Norwood, Massachusetts 02062
Gyroscopes, accelerometers, and inertial guidance and control subsystems.

Electronics Division
2301 West 120th Street
Hawthorne, California 90250
Electronics research, development, and manufacturing.

Ventura Division
1515 Rancho Conejo Boulevard
Newbury Park, California 91320
Remotely-piloted vehicles, marine systems and aircraft subassemblies.

Electro-Mechanical Division
500 East Orangethrope Avenue
Anaheim, California 92801
Electronic, electro-optical system, tactical missile systems, fabricated products.

Northrop Research and Technology Center
One Research Park
Palos Verdes Peninsula, California 90274
Advanced technology research programs.

Subsidiaries:

Northrop Architectural Systems
999 South Hatcher Avenue
City of Industry, California 91748
Architectural metal products for residential and commercial buildings.

Northrop Services, Inc.
500 East Orangethrope Avenue
Anaheim, California 92801
Managerial and technical support services.

Northrop Worldwide Aircraft Services, Inc.
21 Northwest 44th Street
Lawton, Oklahoma 73505
Aircraft maintenance and base support services.

Wilcox Electric, Inc.
2001 Northeast 46th Street
Kansas City, Missouri 64116
Ground-base navigation and instrument landing systems.

Construcciones Aeronauticas, S.A. (13.2% owned)
Calle del Rey Francisco, 4, Apartado 193
Madrid, 8, Spain
Military and commercial aircraft manufacturing and repair.

Electronica Basica, S.A. (9.3% owned)
Roberto Bassas 32-34
Barcelona 14, Spain
Electronic systems and products.

Shinko-Northrop Company, Ltd. (5% owned by Northrop Architectural Systems)
No. 1-22-chome, Kyobashi
Chou-Ku, Tokyo, 104, Japan
Architectural metal products for residential and commercial buildings.

N.V. Koninklijke Nederlandse Vliegtuigenfabriek Fokker (20% owned)
P.O. Box 7600
Schiphol-Oost
Amsterdam, The Netherlands
Military and commercial aircraft development and manufacturing.

Transfer Agent(s):

First Interstate Bank
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: NOC

Number of Employees:

1981	31,400	1978	31,200
1980	30,200	1977	26,200
1979	28,800		

Plant Footage:

1981	12,435,000 sq.ft.	1978	10,670,000
1980	11,605,000	1977	9,356,000
1979	11,467,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,990,700	$ 47,900
1980	1,655,400	86,100
1979	1,582,477	90,312
1978	1,829,839	88,417
1977	1,601,374	66,160

	No. of Com. Shares #	Earn. per Share #
1981	14,500,000	$ 3.31
1980	14,300,000	6.04
1979	14,219,000	6.35
1978	14,166,000	6.24
1977	13,776,000	4.80

# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Aircraft	$ 1,001,000	$ 740,700
Electronics/ Communications	459,400	390,900
Construction	58,700	89,800
Services	519,700	474,700

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.80	—	—
1980	1.80	—	—
1979	1.80	—	—
1978	1.50	—	—
1977	1.15	—	2-for-1 #

+ Adjusted to reflect stock split.
# In the form of a 100% dividend.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 507,000,000	$ 34.97
1980	482,400,000	33.80
1979	420,415,000	29.58
1978	355,975,000	25.05
1977	285,247,000	20.33

+ Based on average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,990,700	$ 1,655,400
Cost of sales	1,977,600	1,548,300
Other income	62,100	(35,500)
Interest expense	7,500	2,900
Income before taxes	$ 67,700	$ 139,700
Income taxes	19,800	53,600
Net Income	$ 47,900	$ 86,100

* Included in Costs and Expenses, Depreciation and Amortization: $41,000,000 in 1981 and $30,400,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cash items	$ 194,300	$ 311,200
Accts. receiv., net	193,000	131,000
* Inventories	327,500	390,400
Prepaid expenses	11,400	9,000
Current Assets	$ 726,200	$ 841,600
Investments	13,100	9,000
# Fixed assets	490,300	343,500
Other assets	27,800	39,600
Total Assets	$ 1,257,400	$ 1,233,700

Liabilities
(000's)

Notes payable	$ 9,400	$ —
Accts. payable	101,300	76,700
Adv. on contracts	93,100	127,100
Accrued compensation	98,500	93,300
Income taxes	284,700	297,900
Other liabilities	79,800	65,200
Curr. Liabilities	$ 666,800	$ 660,200
Long-term obligations	55,000	63,000
Deferred inc. taxes & credit	28,600	28,100
+ Commmon stock	116,200	84,400
Retained earnings	419,700	398,000
Unvested employee restricted shares	(28,900)	—
Total Liabilities & Shareholders' Equity	$ 1,257,400	$ 1,233,700

* At lower of average cost or market.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.40	8.44
%Net Income to Sales	2.41	5.20
%Net Income to Equity	9.45	17.85
Working Capital	$ 59,400,000	$181,400,000
Current Ratio	1.09	1.27
Shareholders' Equity	$507,000,000	$482,400,000

Northwest Industries, Inc.

6300 Sears Tower
Chicago, Illinois 60606
(312) 876-7000

Officers: Ben W. Heineman, president; William Howard Beasley, III, Richard P. Strubel, Paul J. Weir, executive v.p.'s; Rod F. Dammeyer, v.p.-finance; Arthur H. Baer, Jr., v.p.-corp. development; Thomas A. Cole, v.p.-law; Raymond J. Epich, v.p.-management information services; Bernard Firestone, v.p. & treasurer; Edward W. Freher, v.p.-personnel; Gerald L. Nordstrom, v.p.-taxes & tax counsel; Brendan M. O'Neill, v.p. & controller; Joseph W. Shenton, v.p.-corporate relations; R.J. Hill secretary; Ellis A. Brook, asst. secretary; Howard W. Deichen, special Assistant to the President; Daniel P. Casey, asst. v.p. & asst. treasurer; Henry L. Dykema, G. Roger McGrath, asst. v.p.'s; Jerome B. Scherer, asst. treasurer.

Directors: Thomas G. Ayers, James F. Bere, Gaylord Freeman, William B. Graham, John D. Gray, Ben W. Heineman, Thomas S. Hyland, Everett J. Moore, James E. Devitt, George A. Wilson.

Areas of Work: The Company is engaged in the manufacture of electrical and electronic connectors through its Microdot, Inc. subsidiary. Universal Manufacturing produces lamp ballasts and General Battery Corporation manufactures automotive rep[illegible]ent and industrial batteries and battery chargers. Other areas of work include the manufacture of boots, men's and children's underwear, agricultural chemicals, steel tubing and the investment in oil and gas drilling programs.

Operating Companies:

Union Underwear Company, Inc.
Bowling Green, Kentucky

Acme Boot Company, Inc.
Clarksville, Tennessee

General Battery Corporation
Reading, Pennsylvania

Velsicol Chemical Corporation
Chicago, Illinois

Universal Manufacturing Corporation
Paramus, New Jersey

Lone Star Steel Company
Dallas, Texas

Microdot Inc.
Darien, Connecticut

NWT Natural Resources Co.
Chicago, Illinois

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Pacific

Ticker Symbol: NWT

Number of Employees:

1981	41,000	1980	44,000

Sales and Earnings

	Net Sales †	Net Income
1981	$3,121,600,000	$ 278,800,000
1980	2,422,200,000	155,400,000
1979	2,164,000,000	172,200,000
1978	1,983,300,000	150,500,000
1977	1,765,000,000	129,375,000

	No. of Com. Shares +	Earn. per Share +
1981	29,300,000	$ 9.40
1980	30,100,000	5.03
1979	30,100,000	5.60
1978	30,000,000	4.90
1977	30,900,000	4.20

+ Based on the average number of common shares and common share equivalents outstanding.
† Of continuing operations only.

Revenues By Line of Business

	1981	1980
Oil country goods & energy invest.	$1,289,400,000	$ 824,900,000
Consumer soft good	740,700,000	605,000,000
Industrial prods.	443,400,000	389,700,000
Batteries	273,300,000	261,900,000
Chemical & electrical	374,800,000	340,700,000
Total	$3,121,600,000	$2,422,200,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.68	—	—
1980	2.28	—	—
1979	1.98	—	—
1978	1.67	—	2-for-1
1977	1.35	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$1,021,100,000	$ 34.85
1980	959,400,000	32.06
1979	873,600,000	29.02
1978	761,200,000	25.69

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 3,121,600	$ 2,422,200
Cost of sales	2,267,500	1,853,000
Expenses	297,000	243,200
Interest expense	48,100	73,300
Amort. of exc. cost	1,800	1,800
Non-recurr. charge-indust. chem.	34,000	—
Other charges (income)	(400)	700
Income before taxes	$ 473,600	$ 250,200
Income taxes	220,700	111,100
Inc.-cont. oper.	$ 252,900	$ 139,100
Inc.-discont. oper.	166,400	16,300
Net Income	$ 419,300	$ 155,400

* Included in Costs and Expenses, Depreciation: $72,600,000 in 1981 and $66,100,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cash equiv.	$ 36,800	$ 41,100
Receiv. from sale of beverages seg.	600,000	—
Accts. & notes receiv., net	286,300	290,100
* Inventories	541,300	519,500
Prepaid expenses	19,500	17,000
Current Assets	$ 1,483,900	$ 867,700
Assets of bev. seg.	—	372,900
#Fixed assets	820,100	788,300
Other assets	185,800	190,200
Total Assets	$ 2,489,800	$ 2,219,100

Liabilities
(000's)

Long-term debt to be prepaid	$ 76,000	$ —
Long-term debt, curr.	28,300	27,300
Accts. payable & accruals	361,900	297,200
Accrued payroll	45,500	37,500
Dividends & interest payable	31,800	32,500
Accrued taxes	158,900	47,400
Curr. Liabilities	$ 702,400	$ 401,900
Long-term debt:		
Senior	393,100	485,800
Subordinated	74,300	79,100
Deferred inc. taxes	190,000	195,100
Other liabilities	58,900	47,800
+ Redeemable preferred stock	50,000	50,000
+ Common stock	363,200	363,100
Retained earnings	1,054,300	716,800
Treasury stock	(396,400)	(120,500)
Total Liabilities & Shareholders' Equity	$ 2,489,800	$ 2,219,100

* 66% at lower of cost (FIFO or average) or market; the remainder at LIFO cost.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	41.06	16.20
Sales to Inventories	5.77	4.66
Working Capital	$ 781,500,000	$465,800,000
Current Ratio	2.11	2.16
Shareholders' Equity	$1,021,100,000	$959,400,000

Nuclear Data, Inc.

Hamilton Lake Office Park
300 Park Boulevard
Itasca, Illinois 60143
(312) 773-0200

Officers: Richard J. Sandberg, president and chief executive officer; Norman S. Jones, Harold E. Tellefsen, senior vice presidents; Charles J. Long, Jr., v.p.-market development; Vernon L. Schatz, v.p.-corporate planning; Gerald W. Gaughran, v.p.-engineering; C. Stewart Havens, v.p.-finance, secretary and treasurer; Raymond C. Master, v.p.

Directors: Norman S. Jones, Richard J. Sandberg, Richard A. Virzi, Raymond A. Weigel, Harold E. Tellefsen, Harvey H. Orndorff, James A. Lynch, George K. Hendrick, Jr.

Areas of Work: Manufactures and markets computer systems for the identification and quantification of nuclear radiation and related phenomena. Provides consulting services and mechanical and electronic systems for the nuclear power industry. Also produces printed circuit boards, for use in business machines, instrumentation, and communications.

Subsidiaries:

Metropolitan Circuits Incorporated of California
Santa Ana, California 92626
Manufactures and markets printed circuit boards.

Nuclear Data Power Division
2734 S. Cobb Industrial Blvd.
Smyrna, Georgia 30080
Nuclear instrumentation and consulting company.

Metropolitan Circuits Incorporated of Illinois
2706 Edgington Street
Franklin Park, Illinois 60131
Manufactures and markets printed circuit boards.

Metropolitan Circuits Incorporated of New Jersey
208 Center Square Road
Bridgeport, New Jersey 08014
Manufactures and markets printed circuit boards.

Nuclear Data GmbH
Frankfurt, West Germany
Sales and service subsidiary.

Nuclear Data (U.K.)
Bourne End, England
Sales and service branch office.

Nuclear Data Instruments AB
Uppsala, Sweden
Marketing subsidiary.

Nuclear Data Instrumentation Division
Schaumburg, Illinois

Transfer Agent(s):

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60603

Stock Exchange(s): American

Ticker Symbol: NDI

Number of Employees:

1981	767	1978	582
1980	700	1977	494
1979	673		

Sales and Earnings

	Net Sales	Net Income ‡
1982	$ 47,501,000	$ 2,252,000
1981	41,400,000	1,708,000
1980	33,736,000	2,076,000
1979	28,390,000	1,449,000
1978	24,011,000	1,159,000

	No. of Com. Shares #	Earn. per Share #‡
1982	1,697,000	$ 1.33
1981	1,692,005	1.01
1980	1,521,616	1.36
1979	1,396,477	1.04
1978	1,364,622	0.85

‡ Including extraordinary credits of $1,000,000 ($0.59 per share) in 1982.

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1982	1981
Printed circuit boards	$ 25,978,000	$ 23,117,000
Instrumentation	21,523,000	18,283,000
Total	$ 47,501,000	$ 41,400,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	—	5-for-1

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1982	$ 17,384,000	$ 10.24
1981	15,063,000	8.90
1980	13,337,000	8.77
1979	8,441,000	6.04
1978	6,232,000	4.57

‡ Restated to reflect change in accounting method to comply with FASB statement No. 43 concerning compensated absences.

# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	1982	1981
Net sales	$ 47,501,000	$ 41,400,000
Other income	1,346,000	1,372,000
Total income	$ 48,847,000	$ 42,772,000
Cost of sales	32,425,000	28,662,000
Expenses	12,499,000	9,950,000
Research & develop.	830,000	765,000
Interest expense	1,127,000	673,000
Income before taxes	$ 1,966,000	$ 2,722,000
Income taxes	714,000	1,014,000
Net Income	$ 1,252,000	$ 1,708,000
Extraord. credit	1,000,000	—
Net Income & Extraord. Credit	$ 2,252,000	$ 1,708,000

*Included in Costs and Expenses, Depreciation, and Amortization: $1,092,000 in 1981 and $1,020,000 in 1980.

Assets

As of Feb. 28	1982	1981
Cash	$ 713,000	$ 505,000
Marketable securities	187,000	—
Accts. receiv. net	13,955,000	10,954,000
*Inventories	5,332,000	5,651,000
Cost on uncompl. contracts	2,114,000	1,825,000
Deferred inc. taxes	363,000	384,000
Prepaid expenses & sundry accts.	917,000	839,000
Current assets	$ 23,581,000	$ 20,158,000
#Fixed assets	10,653,000	9,104,000
Total Assets	$ 34,234,000	$ 29,262,000

Liabilities

Note payable	$ 1,319,000	$ 4,469,000
Long-term debt, curr.	757,000	254,000
Accts. payable	3,217,000	3,029,000
Accruals	3,650,000	3,214,000
Income taxes	361,000	1,169,000
Billings on uncomp. contracts	539,000	—
Curr. Liabilities	$ 9,843,000	$ 12,135,000
Long-term debt	4,900,000	—
Long-term debt, curr.	1,134,000	1,367,000
Deferred emp. compensation	501,000	320,000
Deferred inc. taxes	472,000	377,000
+ Common stock	872,000	869,000
Add. paid-in capital	9,095,000	9,051,000
Retained earnings	8,035,000	5,783,000
Deferred compensation	(618,000)	(640,000)
Total Liabilities & Shareholders' Equity	$ 34,234,000	$ 29,262,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.14	6.57
%Net Income to Sales	2.64	4.13
%Net Income to Equity	7.20	11.34
Sales to Inventories	8.91	7.33
Working Capital	$13,738,000	$ 8,023,000
Current Ratio	2.40	1.66
Shareholders' Equity	$17,384,000	$15,063,000

Nuclear Systems, Inc.

924 Joplin Street
Post Office Box 2543
Baton Rouge, Louisiana 70821
(504) 387-0846

Officers: Harry D. Richardson, chairman of the board, president & chief exec. officer; Jackson B. Richard, v.p. & secretary-treasurer & mgr.-Gamma Industries Div.; Ray W. Hibbard, v.p. & gen. mgr.-NSI Control Products Div.

Directors: Sidney A. Champagne, Roger W. Richardson, Robert L. Roland, Harry D. Richardson, Lawrence Mann, Jr., Neil Lamont.

Areas of Work: Operates principally in three industries: Radioactive Sources and Related Supplies, Cable Harness Manufacturing and Energy Saving Devices. Operations in the Radioactive Sources and Related Supplies industry primarily involve the manufacture and sale of radiography devices and the sale of limited life radioactive sources for those devices which are used in quality control of welds and castings of metals. Operations in the Energy Saving Devices industry involve the manufacture of energy conservation control instruments including a company developed microprocessor controlled electronic thermostat. Operations in the Cable Harness industry primarily involve the custom manufacture of cable harness assemblies for the use in electrical and electronic equipment.

Divisions and Subsidiaries:

Gamma Industries Division
Engaged in the manufacture of sealed radioactive sources for industrial, medical and educational applications.

Gamma Industries
Post Office Box 2543
Baton Rouge, Louisiana 70821
(504) 383-7791

Gamma Industries
9320 Tavenor Street
Houston, Texas 77034
(713) 944-7676

Cable Harness
Engaged principally in the manufacture of cable harness assemblies for use in electrical and electronic equipment.

Route No. 1
Morristown, Tennessee 37814
(615) 581-6669

Nuclear Systems Export, Inc.
P.O. Box 2543
Baton Rouge, Louisiana 70821
(504) 383-7791

Transfer Agent(s):

Republic National Bank
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NUSY (NASDAQ)

Nuclear Systems, Inc.

Sales and Earnings

	Net Sales + ‡	Net Income
1981	$ 9,064,323	$ 371,287
1980	6,262,521	(335,436)
1979	3,448,592	(631,172)
1978	2,788,109	(87,513)
1977	2,088,412	117,867

	No. of Com. Shares	Earn. per Share ×
1981	783,195	$ 0.47
1980	781,008	—
1979	781,008	—
1978	781,008	—
1977	781,008	0.15

(Loss)
‡ Includes service revenue.
+ Of continuing operations.
× Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Radioactive sources & related supplies	$ 4,239,784	$ 3,818,282
Energy saving device	2,433,917	758,715
Cable harness mfr.	2,390,622	1,684,524
Total	$ 9,064,323	$ 6,262,521

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,638,702	$ 3.37
1980	2,250,509	2.88
1979	2,585,945	3.31
1978	3,217,117	4.12
1977	3,304,630	4.23

Income Account *

Year ended July 31	1980	1979
Net sales	$ 6,262,521	$ 3,448,592
Cost of sales	4,893,326	2,892,362
Expenses	1,551,248	1,151,075
Interest expense	87,092	20,314
Gain on sale	142,871	16,615
Loss from cont. oper.	$ (126,274)	$ (598,544)
Loss from discont. oper.	(209,162)	(32,628)
Net Loss	$ (335,436)	$ (631,172)

* Included in Costs and Expenses, Depreciation and Amortization: $118,802 in 1980 and $124,738 in 1979.

Assets

As of July 31	1980	1979
Cash	$ 123,237	$ 250,757
Cert. of deposit	—	152,268
Accts. receiv., net	1,283,333	1,064,967
* Inventories	1,944,142	918,408
Prepaid expenses	65,351	85,384
Current Assets	$ 3,416,063	$ 2,471,784
# Fixed assets	629,173	1,720,598
Other assets	—	4,046
Intangibles	—	143,050
Total Assets	$ 4,045,236	$ 4,339,478

Liabilities

Notes payable	$ 147,961	$ —
Loans payable	63,084	622,411
Long-term debt, curr.	2,474	81,285
Accts. payable	902,640	334,653
Accruals	153,659	238,880
Deferred revenues on contracts	—	9,250
Curr. Liabilities	$ 1,769,818	$ 1,286,479
Long-term debt	24,909	467,054
+ Common stock	78,101	78,101
Add. paid-in capital	2,980,046	2,980,046
Retained earnings (deficit)	(807,638)	(472,202)
Total Liabilities & Shareholders' Equity	$ 4,045,509	$ 4,339,478

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Working Capital	$ 1,646,245	$ 1,185,305
Current Ratio	1.93	1.92
Shareholders' Equity	$ 2,250,509	$ 2,585,945

Oak Industries, Inc.

16935 West Bernardo Drive
Rancho Bernardo, California 92127
(714) 485-9300

Officers: Everitt A. Carter, chairman of the board & chief exec. officer; Gary T. Barbera, Werner R. Koester, John P. Gwin, exec. v.p.'s; Frank A. Astrologes, exec. v.p. & chief financial officer; Raymond W. Peirce, president & chief operating officer; Carl J. Bradshaw, sr. v.p. & chief legal officer; Leo Jedynak, sr. v.p.-research & devel.; A. Keith Cook, admin., Eugene N. Myer-staff operations, vice presidents; Robert V. Dunke-Corp. devel. G.J. Goberville, human resources, Robert J. Hartney-corp. relations; Michael R. Maury, v.p. & controller; Thomas C. Runge, v.p. & treasurer; E. Jeanne Hamm, secretary; John Yonco, asst. secretary.

Directors: Everitt A. Carter*, chairman; Robert T. McTigue*, Frank A. Astrologes, Leo Jedynak, Carl J. Bradshaw, Raymond W. Peirce, Philip S. Harper, Jr., Franklin A. Cole*, Henry A. Corres, Lawrmce H. Rogers II, Vincent T. Gorguze*, John P. Gwin, Gary T. Barbera.

* Member of Executive Committee.

Divisions and Subsidiaries:

Oak Technology Inc.
Crystal Lake, Illinois

Oak Switch Systems Inc.
Crystal Lake, Illinois 60014
Rotary, pushbuttons, keyboard, appliance and lever switches; relays and solenoids.

Hart Indiana Division
920 South Logan
P.O. Box 280
Mishawaka, Indiana 46544
Metal stamping.

Techno Components Corp.
7803 Lemona Avenue
Van Nuys, California 91405
Miniature wirewound and non-wirewound potentiometers.

McCoy Electronics Company
Mt. Holly Springs, Pennsylvania 17065
Mercersburg, Pennsyivania 17236
High-frequency and low-frequency crystals, crystal filters, oscillators and related devices for frequency control and selection.

O/E/N India Limited (45% owned)
Cochin Kerala, India
Switches, relays and potentiometers.

Oak Brasil Industrial Ltda.
Sao Paulo, Brazil
Rotary switches, tuner components.

Oak/Adec Inc.
Santa Ana, California

Fluroglas Division
Hoosick Falls, New York 12090
PTFE coated substrates (glass reinforced tapes; pressure sensitive tapes, sheet materials; belts, coated yarns) extruded PTFE film.

Oak Industries Korea Ltd. (50% owned)
Seoul, Korea
Phenolic paper and epoxy glass electrical grade laminates.

Oak Materials Taiwan Ltd. (70% owned)
Taipel, Taiwan
Phenolic and epoxy laminates.

Oak-Mitsui Inc. (78.2% owned)
Hoosick Falls, New York 12090
Electro-deposited copper foil.

Oak Laminates Division
Franklin, New Hampshire
Hoosick Falls, New York
Hayward, California
Standard rigid epoxy laminates, adhesive coated copper foil and other materials for flexible circuits, multilayer materials and microwave electric materials.

Oak Industries Hong Kong Ltd.
Hong Kong, B.C.C.

Oak Industries Singapore
Singapore

Oak Japan Limited
Tokyo, Japan

Harper-Wyman Company
Hinsdale & Princeton, Illinois
Gas controls and components; electric range controls, gas grills.

Harper Wyman de Mexico, S.A. de V.C.
Mexico, D.F. Mexico
Gas controls and components.

Oak Industries Transvaal (Pty.) Limited
Johannesburg, South Africa

Oak Industries South Africa (Pty.) Ltd. (94.4% owned)
P.O. Box 1172
Pietermaritzburg, South Africa
Energy regulators; thermostats; low power rotary switches; series parallel appliance switches; toggle switches; pilot lights; general purpose relays; phase reversal relays, wirewound resistors; industrial low voltage transformers, industrial control equipment.

Oak-Fothergill, Inc. (60% owned)
Manufactures products made from graphic materials.

Oak Materials Group, Inc.
Hoosick Falls, New York 12090

Diamond H. Controls Ltd.
Volcan Road North
Norwich, NOR 85N
Norfolk, England
Thermostats; energy regulators; thermal switches; relays, time delay units and solenoids, rotary and toggle switches; snap-in-devices, rotary, lever, moduline switches; indicator lights, electronic temperature and process controls.

Oak Communications Systems, Inc.
Rancho Bernardo, California

Oak Communications Systems Inc.
Heller-Oak Communications Finance Corp.
(50% owned)
105 West Adams Street
Chicago, Illinois 60603
Crystal Lake, Illinois
Purchase or lease-type financing program for the communications industry.

National Subscription Television (51% owned)
Glendale, California
Pay television system.

Oak Broadcasting Systems, Inc. (50% owned)
Glendale, California

Oak East Industries Ltd.
Taipei, Taiwan
Manufactures pay television decoders and cable television converters.

Oak Research and Engineering Center
Dordrecht, Holland

National Subscription Television of Chicago Inc.
Mt. Prospect, Illinois 60056
Pay television service.

National Subscription Television of Ft. Lauderdale Inc.
Hollywood, Florida 33022
Pay television service.

National Subscription Television of Phoenix Inc.
Phoenix, Arizona 85040
Pay television service.

Oak Systems/Fort Worth
Arlington, Texas 76011
Pay television service.

Oak Television of Ft. Lauderdale
Hollywood, Florida 33022
Television station.

Oak CATV of Oxnard Inc.
Oxnard, California 93030
Cable television service.

Oak CATV of Castro Valley, Inc.
Castro Valley, California

Oak CPL International
Coral Gables, Florida

Oak System of Australia (Pty.) Limited
North Sydney, Australia

Oak Satelite Corporation
Rancho Bernardo, California
Involved in direct broadcasting by satellite and videoconference services and programing.

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: OAK

Number of Employees:

1981	13,529	1978	9,359
1980	11,434	1977	7,544
1979	10,492		

Plant Footage:

1981	2,600,000 sq. ft.	1979	1,400,996
1980	2,078,168		

Sales and Earnings

	Net Sales	Net Income
1981	$ 507,119,000	$ 30,350,000
1980	385,586,000	20,082,000
1979	281,348,000	11,170,000
1978	192,181,000	4,850,000
1977	151,075,000	1,519,000

	No. of Com. Shares #	Earn. per Share #
1981	13,584,256	$ 2.23
1980	10,797,380	1.85
1979	7,996,572	1.36
1978	6,096,908	0.72
1977	5,054,254	0.19

# Based on average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.24	—	—
1980	0.20	—	2-for-1
1979	0.20	—	—
1978	0.18	—	3-for-2
1977	0.17	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 261,992,000†	$ 19.28
1980	158,667,000†	14.69
1979	101,027,000#	12.63
1978	49,280,000#	8.08
1977	30,624,000#	6.06

# After allowing for preferred stock redemption value of $100 per share for Series A and B.
† After allowing for preferred stock at redemption value of $25 per share for Series C.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 507,119,000	$ 385,586,000
Cost of sales	338,682,000	260,423,000
Expenses	107,707,000	78,107,000
Other expenses	18,472,000	17,555,000
Income before taxes	$ 42,258,000	$ 29,501,000
Income taxes	11,908,000	9,419,000
Net Income	$ 30,350,000	$ 20,082,000

* Included in Costs and Expenses, Depreciation and Amortization: $27,725,000 in 1981 and $19,57,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 10,304,000	$ 5,894,000
Marketable securities	66,676,000	58,640,000
Receiv., net	104,953,000	80,382,000
*Inventories	106,569,000	89,239,000
Prepaid taxes	10,762,000	5,437,000
Current Assets	$ 299,264,000	$ 239,592,000
Investments	8,900,000	8,484,000
#Fixed assets	178,351,000	117,629,000
Notes receiv.	27,815,000	9,906,000
Prepaid exp. & other assets	94,989,000	33,096,000
Total Assets	$ 609,319,000	$ 408,707,000

Liabilities

Notes payable	$ 70,758,000	$ 11,362,000
Long-term debt, curr.	8,889,000	6,734,000
Accts. payable	35,053,000	31,224,000
Accruals	47,765,000	31,688,000
Prepayments	17,502,000	14,213,000
Curr. Liabilities	$ 179,967,000	$ 95,221,000
Long-term debt	141,744,000	138,328,000
Minority interest	7,321,000	8,261,000
Deferred compensation & accrued pensions	3,900,000	2,110,000
Deferred inc. taxes	13,712,000	5,168,000
Deferred income	392,000	503,000
+Preferred stock Series C	72,000	90,000
+ +Common stock	16,363,000	6,326,000
Add. paid-in capital	158,890,000	90,029,000
Retained earnings	89,761,000	62,722,000
Cum. trans. adjust.	(2,747,000)	—
Treasury stock	(46,000)	(51,000)
Total Liabilities & Shareholders' Equity	$ 609,319,000	$ 408,707,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 stated value; cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.33	7.65
%Net Income to Sales	5.98	5.21
%Net Income to Equity	11.57	12.62
Sales to Inventories	4.76	4.32
Working Capital	$119,297,000	$144,371,000
Current Ratio	1.66	2.01
Shareholders' Equity	$262,283,000	$159,116,000

Ocean Systems, Inc.

7 Barnabas Road
Marion, Massachusetts 02738
(617) 748-1160

Officers: Richard I. Arthur, chairman of the board & chief executive officer; Richard W. Bixby, v.p.-engineering; Edward M. Cooney, v.p. & clerk; James W. Feeney, v.p.-marketing; Stephen S. Galliker, v.p.-finance & treasurer; Henry C. Hall, v.p. & controller; Frank E. Maddocks, v.p.-quality control; Malchester P. Reeves, v.p.-manufacturing; William E. Walsh, Jr., v.p.-program management.

Directors: Thayer Francis, Jr., chairman; Robert S. Ames, Richard I. Arthur, W. Van Allan Clark, Jr., Burgess Dempster, Daniel Semels, Alfred J. Whittle, Jr.

Areas of Work: Developer and producer of the Expendable Bathythermograph systems, and related sensor instruments. These devices, launched from ships, submarines and helicopters give an accurate profile of water temperature versus depth. Various types of shipboard auxiliary equipment used to record or process this information in either digital or analog form are included in this product line.

Transfer Agent(s):

State Street Bank and Trust Company
Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOSI (NASDAQ)

Number of Employees:

1981	279

Plant Footage:

1981	124,000 sq. ft.

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 15,808,000	$ 1,345,000
1980	11,618,000	786,000
1979	8,621,000	719,000
1978	4,486,000	324,000
1977	6,043,000	776,000

	No. of Com. Shares	Earn. per Share #
1981	2,203,238	$ 0.71
1980	—	0.43
1979	—	0.40
1978	—	0.18
1977	—	0.43

‡ Restated to reflect internal reorganization.
# Based on the weighted average number of common shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 7,550,000	$ 3.43
1980	3,833,000	—
1979	4,134,000	—
1978	3,198,000	—
1977	2,847,000	—

‡ Restated.

Income Account *

Year ended Dec. 31	1981	1980
Revenues	$ 15,807,880	$ 11,618,116
Cost of sales & revenues	9,352,703	6,634,131
Expenses	3,911,504	3,455,907
Interest income	(54,086)	—
Income before taxes	$ 2,597,759	$ 1,528,078
Income taxes	1,253,000	742,000
Net Income	$ 1,344,759	$ 786,078

Ocean Systems, Inc.

* Included in Costs and Expenses, Depreciation and Amortization: $665,896 in 1981 and $390,365 in 1980.
‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 844,466	$ 9,500
Market. securities	1,503,123	—
Accts. receiv., net	2,353,485	1,363,311
*Inventories	1,085,919	1,325,120
Prepaid expenses	15,362	22,115
Def. inc. taxes	56,000	132,000
Current Assets	$ 5,858,355	$ 2,852,046
#Fixed assets	5,502,112	2,441,425
Total Assets	$ 11,360,467	$ 5,293,471

Liabilities

	1981	1980 ‡
Accts. payable	$ 902,609	$ 693,529
Accrued payroll	241,124	154,699
Profit sharing	637,054	256,222
Commissions	248,155	143,914
Inc. taxes payable	126,000	—
Curr. Liabilities	$ 2,154,942	$ 1,248,364
Deferred inc. taxes	1,656,000	212,000
+Common stock	2,203,238	—
Add. paid-in capital	2,426,250	—
Retained earnings	2,920,037	—
Interdivision account	—	3,833,107
Total Liabilities & Shareholders' Equity	$ 11,360,467	$ 5,293,471

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.43	13.15
%Net Income to Sales	8.51	6.77
%Net Income to Equity	17.81	20.51
Sales to Inventories	14.56	8.77
Working Capital	$3,703,413	$1,603,682
Current Ratio	2.72	2.28
Shareholders' Equity	7,549,525	$3,833,107

The Ohmart Corporation

4241 Allendorf Drive
P.O. Box 9026
Cincinnati, Ohio 45209
(513) 272-0131

Officers: Carl K. Gieringer, chairman of the board & president; Thomas E. Dewey, executive vice president; Lou Cook, v.p.; Paul Sieck, v.p.-manufacturing; James J. Guthrie, Jr., v.p.-sales & marketing; Sydnor I. Davis, assistant secretary; Wm. G. Doma, secretary & treasurer.

Directors: John G. Dobson, Nicholas Bauer, Carl F. Evert, Carl K. Gieringer, C. Ross Whiting, Lewis M. Crowe.

Areas of Work: Produces beta thickness gauges, conveyor scales, nuclear and electronic measuring devices used in process control.

Transfer Agent(s):

The First National Bank of Cincinnati
4th and Walnut Streets
Cincinnati, Ohio 45202

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	155	1979	150
1980	150		

Plant Footage:

1981	61,000 sq. ft.	1979	61,000
1980	61,000	1979	61,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 7,581,266	$ 546,654
1980	6,037,548	339,292
1979	6,474,382	654,207
1978	5,714,253	227,085
1977	5,021,093	110,323

	No. of Com. Shares	Earn. per Share
1981	123,238	$ 4.44
1980	123,238	2.75
1979	123,238	5.31
1978	123,238	1.84
1977	123,238	0.90

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.25	—	—
1979	0.15	—	—
1978	0.15	—	—
1977	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,650,469	$ 29.62
1980	3,153,110	25.59
1979	2,844,628	23.08
1978	2,208,906	17.92
1977	2,000,306	16.23

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 7,581,266	$ 6,037,548
Other income	176,130	145,270
Total Income	$ 7,757,396	$ 6,182,818
Cost of sales	3,791,483	2,955,388
Expenses	2,987,426	2,630,830
Interest expense	50,833	30,308
Income before taxes	$ 927,654	$ 566,292
Income taxes	381,000	227,000
Net Income	$ 546,654	$ 339,292

* Included in Costs and Expenses, Depreciation and Amortization: $122,682 in 1981 and $73,315 in 1980.

Assets

As of Nov. 30	1981	1980
Cash & temporary cash investments	$ 834,824	$ 531,368
Accts. receiv., net	1,490,210	1,698,141
*Inventories	1,366,741	1,139,427
Prepaid expenses	22,968	33,377
Current Assets	$ 3,714,743	$ 3,402,313
#Fixed assets	1,297,782	1,108,576
Other assets	64,451	93,024
Total Assets	$ 5,076,976	$ 4,603,913

Liabilities

	1981	1980
Long-term debt, curr.	$ 145,000	$ 95,000
Accts. payable	162,669	192,633
Accruals	429,101	423,050
Advance Payments	45,881	77,864
Income taxes	153,856	27,256
Curr. Liabilities	$ 936,507	$ 815,803
Long-term debt	490,000	635,000
+ Common stock	146,568	146,568
Add. paid-in capital	283,574	283,574
Retained earnings	3,220,327	2,722,968
Total Liabilities & Shareholders' Equity	$ 5,076,976	$ 4,603,913

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	12.24	9.38
%Net Income to Sales	7.21	5.62
%Net Income to Equity	14.97	10.76
Sales to Inventories	5.55	5.30
Working Capital	$2,778,236	$2,586,510
Current Ratio	3.97	4.17
Shareholders' Equity	$3,650,469	$3,153,110

Optical Radiation Corporation

1300 Optical Drive
Azusa, California 91702
(213) 969-3344

Officers: Richard D. Wood, chairman of the board & president; John N. Wilkinson, group v.p.-optical systems; Horst Funfstuck, group v.p.-optical components; Glenn Berggren, v.p.-marketing, optical systems; R.J. McMullen, v.p.-finance & treasurer; William Norwood, v.p.-marketing, optical components.

Directors: Richard D. Wood, chairman; John N. Wilkinson, Louis W. Biegler, Vernon H. Blackman, Roland Seidler, Jr., Frank D. Wood.

Areas of Work: Manufactures printed circuit board exposure systems designed to expose photoresist materials used in the manufacture of printed circuit boards.

Transfer Agent(s):

Union Bank
P.O. Box 2461
Los Angeles, California 90051

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORCO (NASDAQ)

Number of Employees:

1981 353

Plant Footage:

1981 ...... 161,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 17,234,809	$ 1,514,686
1980	15,231,555	1,308,002
1979	13,990,761	1,684,625
1978	11,656,541	997,756
1977	9,243,964	493,866

	No. of Com. Shares #	Earn. per Share #
1981	1,462,234	$ 1.04
1980	1,454,564	0.90
1979	1,455,873	1.16
1978	1,434,415	0.70
1977	1,404,687	0.35

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 10,437,042	$ 7.14
1980	8,766,720	6.03
1979	7,376,299	5.07
1978	5,586,867	3.89

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 17,234,809	$ 15,231,555
Cost of sales	10,563,806	8,903,817
Expenses	3,798,455	3,610,538
Interest income	(188,064)	(32,979)
Interest expense	179,268	248,538

		1981		1980
Income before taxes	$	2,881,344	$	2,501,641
Income taxes		1,366,658		1,193,639
Net Income	$	1,514,686	$	1,308,002

* Included in Costs and Expenses, Depreciation and Amortization: $394,023 in 1981 and $338,780 in 1980.

Assets

As at July 31		1981		1980
Cash	$	1,228,409	$	1,037,143
Accts. receiv., net		3,468,996		3,143,032
*Inventories		4,143,035		3,730,644
Prepaid expenses		73,242		93,519
Current Assets	$	8,913,682	$	8,004,338
#Fixed assets		5,559,631		4,892,187
Deferred inc. taxes		96,299		151,453
Lease contracts receiv.		15,834		76,812
Other assets		119,586		52,417
Total Assets	$	14,705,032	$	13,177,207

Liabilities

		1981		1980
Long-term debt, curr.	$	49,437	$	45,216
Accts. payable		752,776		652,148
Accruals		551,006		474,420
Accrued payroll		937,128		825,268
Income taxes payable		222,040		608,992
Curr. Liabilities	$	2,512,387	$	2,606,044
Long-term debt		1,755,603		1,804,443
+ Common stock		729,995		718,648
Add. paid-in capital		3,470,195		3,325,906
Retained earnings		6,236,852		4,722,166
Total Liabilities & Shareholders' Equity	$	14,705,032	$	13,177,207

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	16.72	16.42
%Net Income to Sales	8.79	8.59
%Net Income to Equity	14.51	14.92
Sales to Inventories	4.16	4.08
Working Capital	$ 6,401,295	$5,398,294
Current Ratio	3.55	3.07
Shareholders' Equity	$10,437,042	$8,766,720

Orbit Instrument Corp.

131 Eileen Way
Syosset, New York 11791
(516) 921-6310

6431 Global Drive
Cypress, California 90630
(714) 527-0561

Officers: Max Reissman, chairman of the board & president; Abraham H. Charton, secretary; Milton Gersten, asst. secretary & treasurer.

Directors: Max Reissman, Abraham H. Charton, Darwin C. Dornbush.

Areas of Work: The Company designs, manufactures and sells customized electronic components and subsystems, primarily for the military market. Products include positional devices (ball trackers, joysticks & force transducers), data entry and display systems, customized keyboards and other specialized electronic systems.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORBT (NASDAQ)

Number of Employees:

1981 84

Plant Footage:

1981 . . . . . . 42,000 sq. ft.

Sales and Earnings

		Net Sales		Net Income
1981	$	6,175,412	$	1,417,261
1980		4,912,540		931,028
1979		4,350,642		1,074,238
1978		3,524,761		370,248
1977		2,608,990		235,215

	No. of Com. Shares	Earn. per Share‡
1981	2,978,514	$ 0.71
1980	2,026,464	0.59
1979	337,744	0.69
1978	345,644	0.20
1977	315,644	0.59

‡Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	6-for-1

Common Stock Equity

		Total Equity	Equity Per Share
1981	$	8,999,171	$ 3.02
1980		3,669,564	1.81
1979		2,713,536	8.03
1978		1,672,923	4.84

Income Account *

Year ended June 30		1981		1980
Net sales	$	6,175,412	$	4,912,540
Cost of sales		2,992,071		2,556,048
Expenses		807,845		716,265
Other income		(415,865)		(194,101)
Income before taxes	$	2,791,361	$	1,834,328
Income taxes		1,374,100		903,300
Net Income	$	1,417,261	$	931,028

*Included in Costs and Expenses, Depreciation and Amortization: $28,176 in 1981 and $12,075 in 1980.

Assets

As of June 30		1981		1980
Cash	$	6,005,362	$	2,751,153
Accts. receiv., net		750,807		429,722
*Inventories		2,632,700		1,549,200
Prepaid expenses & other assets		103,064		37,105
Current Assets	$	9,491,933	$	4,767,180
Cert. of deposit		87,500		137,500
#Fixed assets		717,777		59,021
Other assets		82,191		32,385
Total Assets	$	10,379,401	$	4,996,086

Liabilities

		1981		1980
Notes payable	$	72,805	$	71,148
Accts. payable		237,268		230,032
Accruals		289,572		295,857
Income taxes		522,657		378,752
Curr. Liabilities	$	1,122,302	$	995,789
Notes payable		257,928		330,733
+ Common stock		297,851		202,646
Add. paid-in capital		4,228,729		411,588
Retained earnings		4,729,106		3,311,845
Treasury stock in escrow		(256,515)		(256,515)
Total Liabilities & Shareholders' Equity	$	10,379,401	$	4,996,086

*At lower of cost (FIFO) or market.
#Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	45.20	37.34
%Net Income to Sales	22.95	18.95
%Net Income to Equity	15.75	25.37
Sales to Inventories	2.35	3.17
Working Capital	$8,369,631	$3,771,391
Current Ratio	8.46	4.79
Shareholders' Equity	$8,999,171	$3,669,564

Orion Research Incorporated

840 Memorial Drive
Cambridge, Massachusetts 02139
(617) 864-5400

Officers: John H. Riseman, chairman of the board & president; Charles A. Rossiter, v.p.-international operations; Albert Diggins, v.p.-industrial products; Howard Langejans, v.p.-sales; James W. Ross, v.p.-research; H. Kenneth Fish, clerk; Robert W. Hagopian, secretary & asst. clerk; Robert B. Schmidt, exec. v.p.; Lionel S. Goldring, director-product development; Robert P. Story, Jr., treasurer; Thomas R. Ittelson, director-corporate marketing.

Directors: John H. Riseman, chairman; Robert F. Birch, James W. Ross, Jr., Alexander Jenkins III, Roger W. Kenyon, Robert W. Hagopian, Robert B. Schmidt.

Areas of Work: Manufactures specific ion electrodes, digital and analog pH meters and specific ion meters, and related electronic instruments used to analyze chemical solutions and to display and record the resulting data. Also manufactures syringe and tubing pumps employed for various scientific, industrial and medical purposes and a line of stat blood analyzers for use in hospitals.

Subsidiaries:

Orion Research Puerto Rico, Inc.
Rio Piedras, Puerto Rico
Manufacturer of chemical sensors (electrodes) and related products.

Orion International Sales, Inc. (DISC)

Orion Research AG
Kusnacht, Switzerland

Orion Resdel Corporation
Rio Grande, New Jersey
Manufactures centrifugally cast epoxy tubing.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORIR (NASDAQ)

Number of Employees:

1981	447	1978	388
1980	501	1977	319
1979	417		

Plant Footage:

1981	117,000 sq. ft.	1978	75,000
1980	99,000	1977	75,000
1979	75,000		

Sales and Earnings

		Net Sales		Net Income ‡
1981	$	20,712,000	$	(377,000)
1980		19,312,000		1,179,000
1979		15,930,000		1,213,000
1978		13,532,000		1,270,000
1977		11,065,000		1,076,000

Orion Research Incorporated

	No. of Com. Shares	Earn. per Share ‡ ×
1981	1,095,927	$ —
1980	1,065,328	1.09
1979	1,052,331	1.13
1978	1,060,490	1.21
1977	1,039,060	1.04

(Loss)

‡ Including extraordinary credit of $50,000 ($0.05 per share) in 1978.

× Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 7,383,000	$6.74
1980	7,566,000	7.10
1979	6,299,000	5.99
1978	5,224,000	4.93
1977	3,864,000	3.72

Income Account *

Year ended March 31	1981	1980
Net sales	$ 20,712,000	$ 19,312,000
Cost of sales	9,603,000	8,870,000
Expenses	9,876,000	9,177,000
Interest expense	886,000	526,000
Real estate oper.	427,000	—
Interest income	(30,000)	(202,000)
Income bef. taxes (loss)	$ (50,000)	$ 941,000
Income taxes	327,000	198,000
Cum. effect of acctng. change	—	(436,000)
Net Income (Loss)	$ (377,000)	$ 1,179,000

* Included in Costs and Expenses, Depreciation and Amortization: $814,000 in 1981 and $441,000 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 566,000	$ 410,000
Accts. receiv., net	5,115,000	5,043,000
* Inventories, net	6,281,000	5,229,000
Prepaid expenses	262,000	192,000
Current Assets	$ 12,224,000	$ 10,874,000
Notes receiv.	235,000	133,000
Corp. hdqts. under construction	9,099,000	6,926,000
# Fixed assets	2,713,000	2,498,000
Total Assets	$ 24,271,000	$ 20,431,000

Liabilities

	1981	1980
Term note	$ 500,000	$ 500,000
Subordinated debt	2,000,000	—
Long-term debt, curr.	35,000	46,000
Accts. payable	3,169,000	1,660,000
Accruals	1,198,000	1,305,000
Income taxes	523,000	229,000
Curr. Liabilities	$ 7,425,000	$ 3,740,000
Construction financing	7,250,000	4,880,000
Financing agreement	2,000,000	2,000,000
Long-term debt	213,000	245,000
Subordinated debt	—	2,000,000
+ Common stock	112,000	109,000
Add. paid-in capital	2,776,000	2,585,000
Retained earnings	4,685,000	5,062,000
Treasury stock	(190,000)	(190,000)
Total Liabilities & Shareholders' Equity	$ 24,271,000	$ 20,431,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	4.87
% Net Income to Sales	—	6.11
% Net Income to Equity	—	15.58
Sales to Inventories	3.30	3.69
Working Capital	$ 4,799,000	$ 7,134,000
Current Ratio	1.65	2.91
Shareholders' Equity	$ 7,383,000	$ 7,566,000

Orrox Corporation

3303 Scott Boulevard
Santa Clara, California 95050
(408) 988-2000

Officers: William H. Orr, chairman of the board; Philip B. Arenson, president & chief executive officer; Allan J. Behr, exec. v.p.; Bernard Jacobs, president of Satcom, Rand Heer, v.p.-finance & secretary-treasurer.

Directors: William H. Orr, Chairman; Philip B. Arenson, Van L. Brady, William J. Brady, Michael H. Gault, Larry Finley, Allan J. Behr, Bernard Jacobs, Rand Heer.

Areas of Work: Engaged in the development of a satellite-to-home television receiver system for direct broadcast satellite applications. Also manufactures "CMX" video editing systems.

Divisions:

CMX Systems
3303 Scott Boulevard
Santa Clara, California 95050
(408) 988-2000

Satcom
1756-E Junction Avenue
San Jose, California 95112
(408) 286-6000

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: ORR

Sales and Earnings ‡

	Net Sales +	Net Income +
1981	$ 10,775,000	$ (320,000)
1980	8,438,000	171,000
1979	7,668,000	1,372,000
1978	3,899,000	181,000
1977	2,392,000	(630,000)

	No. of Com. Shares	Earn. per Share †
1981	2,170,000	$ —
1980	1,769,000	0.10
1979	1,660,000	0.58
1978	1,716,000	0.09

(Loss)

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

+ Of continuing operations only.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 6,075,000	$ 2.80
1980	4,231,000	2.39
1979	4,062,000	2.45
1978	2,680,000	1.56

Income Account *

Year ended Dec. 31	1981	198
Net sales	$ 10,775,000	$ 8,438,000
Cost of sales	5,923,000	4,632,000
Expenses	5,114,000	3,685,000
Interest income	(64,000)	(81,000)
Interest expense	171,000	36,000
Income (loss) before taxes	$ (369,000)	$ 166,000
Tax credit	(49,000)	(5,000)
Net Income (Loss)	$ (320,000)	$ 171,000

* Included in Costs and Expenses, Depreciation and Amortization: $232,000 in 1981 and $145,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,109,000	$ 36,000
Accts. receiv., net	3,042,000	2,735,000
*Inventories	2,576,000	1,708,000
Prepaid expenses	158,000	209,000
Current Assets	$ 6,885,000	$ 4,688,000
#Fixed assets	1,100,000	806,000
Other assets	333,000	441,000
Total Assets	$ 8,318,000	$ 5,935,000

Liabilities

	1981	1980
Notes payable	$ 600,000	$ 500,000
Accts. payable	1,023,000	631,000
Accrued payroll	278,000	86,000
Other liabilities	260,000	211,000
Cust. deposits	76,000	210,000
Income taxes	6,000	66,000
Curr. Liabilities	$ 2,243,000	$ 1,704,000
+Common stock	8,596,000	6,432,000
Accumulated deficit	(2,521,000)	(2,201,000)
Total Liabilities & Shareholders' Equity	$ 8,318,000	$ 5,935,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.97	—
%Net Income to Sales	2.03	—
%Net Income to Equity	4.04	—
Sales to Inventories	4.94	4.18
Working Capital	$4,642,000	$2,984,000
Current Ratio	2.75	3.07
Shareholders' Equity	$4,231,000	$6,075,000

Pacific Scientific Company

1350 South State College Boulevard
Anaheim, California 92803
(714) 535-8141

Officers: Harry R. Goff, chairman of the board; Stephen J. Toth, president & chief executive officer; Robert M. Bullard, v.p., president-Industrial Sales Division; V.E. Davidson, v.p., president-HIAC/Royco Division; Edward T. Cannon, v.p. & president-Gardner/Neotec Division; Richard V. Plat, v.p.-finance & administration, secretary; Thomas J. Pope, v.p., president-Kin-Tech Division.

Directors: Harry R. Goff, chairman; Decker G. McAllister, W.P. Balderston, James D. Hodgson, William A. Preston, Stephen J. Toth, Jack P. Wright.

Areas of Work: Operates in four areas: Energy, Electronic Instruments, Aerospace and Industrial Sales.

Divisions and Subsidiaries:

Kin-Tech Division
Anaheim, California
Develops and markets mechanical shock arrestors and other safety devices for nuclear, and fossil fuel power plants; pipes, and petro-chemical plants.

HIAC/Royco Division
Menlo Park, California
Manufactures electronic instruments which measure contaminant particles in liquids and gases using remote sensors.

Gardner/Neotec Division
Silver Spring, Maryland
Manufactures instruments for the measurement and control of appearance properties, colorimeters for use in the textile and food markets, and related software. Also manufactures a line of near-infrared analyzers used in the analysis of agricultural and industrial products to measure proteins, moisture, fiber, oil and similar components in organic substances.

Industrial Sales Division
Santa Ana, California
Provides sales and service for a broad range of technical products produced by over 30 manufacturers in the fields of instrumentation, environmental testing, and industrial process equipment. Also provides field calibration and repair service for these products.

Pacific Scientific, Inc.
Basel, Switzerland

Pacific Scientific, GmbH
Stuttgart, West Germany

Pacific Scientific, Inc.
Basel, Switzerland

Pacific Scientific, S.A.R.L.
Palaiseau, France

Acquisition(s):

Neotec Corporation
Silver Spring, Maryland
Produces electronic instruments used principally in analysis of agriculture and industrial products.

Transfer Agent(s):

First Interstate Bank—California
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: PSX

Number of Employees:

1981	886	1978	472
1980	722	1977	449
1979	568		

Plant Footage:

1981	287,000 sq. ft.	1980	211,500

Sales and Earnings

	Net Sales	Net Income
1981	$ 74,313,000	$ 8,444,000
1980	62,784,000	7,153,000
1979	44,220,000	5,161,000
1978	33,892,000	4,479,000
1977	26,296,000	2,950,000

	No. of Com. Shares †	Earn. per Share †
1981	5,785,000	$ 1.42
1980	5,807,827	1.22
1979	5,604,750	0.90
1978	5,415,000	0.83
1977	5,103,000	0.59

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Restraint equip.	$ 45,159,000	$ 37,681,000
Electronic instruments	20,976,000	18,035,000
Technical sales & service	8,171,000	7,564,000
Corporate	924,000	737,000
Eliminations	(917,000)	(1,233,000)
Total	$ 74,313,000	$ 62,784,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.29	50%	—
1980	0.24	50%	—
1979	0.17	—	—
1978	0.10	100%	—
1977	0.05	50%	—

† Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 36,484,000	$ 6.31
1980	29,156,000	5.02
1979	23,053,000	4.11
1978	18,761,000	3.46
1977	11,331,000	2.22

† Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	12/25/81	12/26/80
Net sales	$ 72,817	$ 61,276
Other income	1,496	1,508
Total Income	$ 74,313	$ 62,784
Cost of sales	43,307	35,690
Expenses	14,830	12,564
Interest expense	246	794
Income before taxes	$ 15,930	$ 13,736
Income taxes	7,486	6,583
Net Income	$ 8,444	$ 7,153

* Included in Costs and Expenses, Depreciation and Amortization: $1,206,000 in 1981 and $1,296,000 in 1980.

Assets
(000's)

As of	12/25/81	12/26/80
Cash	$ 1,200	$ 755
Trade receiv., net	15,860	11,951
*Inventories	22,176	20,431
Prepaid expenses	78	41
Current Assets	$ 39,314	$ 33,178
#Fixed assets	7,681	5,740
Other assets	2,605	2,131
Total Assets	$ 49,600	$ 41,049

Liabilities
(000's)

Accts. payable	$ 5,259	$ 3,975
Accrued payroll	1,670	1,310
Other accruals	1,352	1,277
Income taxes	1,904	2,072
Other liab.	2,014	2,142
Curr. Liabilities	$ 12,199	$ 10,776
Long-term debt	917	1,117
+ Common stock	5,785	3,808
Add. paid-in capital	921	2,330
Retained earnings	29,778	23,018
Total Liabilities & Shareholders' Equity	$ 49,600	$ 41,049

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	21.88	22.42
%Net Income to Sales	11.60	11.67
%Net Income to Equity	23.14	24.53
Sales to Inventories	3.28	3.00
Working Capital	$27,115,000	$22,402,000
Current Ratio	3.22	3.08
Shareholders' Equity	$36,484,000	$29,156,000

Panelgraphic Corporation

10 Henderson Drive
West Caldwell, New Jersey 07006
(201) 227-1500

Officers: Edward E. Finney, chairman of the board & president; Stewart Nellis, v.p.-marketing & sales; Michael E. Kane, vice president-operations; Julius Danzler, secretary & general counsel; James M. Johnson, treasurer & controller.

Directors: Edward E. Finney, chairman; Richard G. Post, Robert H. Frey, Henry Avery, Richard H. Griebel.

Areas of Work: Electronic panels for the scientific industry. Designs and manufactures metal and plastic panels. Manufactures optical components such as read projection screens, read-out filters and high-gain light diffusers.

Transfer Agent(s):

Continental Stock Transfer Corp.
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 3,885,186	$ 64,555
1980	3,225,482	(57,369)
1979	3,219,295	228,880
1978	2,326,331	(112,120)
1977	2,063,706	34,907

	No. of Com. Shares #	Earn. per Share #‡
1981	446,495	$ 0.14
1980	435,000	—
1979	435,000	0.53
1978	435,000	—
1977	435,000	0.08

(Loss)
‡ Including extraordinary gains of $69,000 ($0.16 per share) in 1979 and $9,700 ($0.02 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ [illegible]	$ 1.18
1980	458,529	1.05
1979	515,898	1.19
1978	287,018	0.66
1977	399,138	0.92

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 3,885,186	$ 3,225,482
Other income	141,907	135,005
Gain on repurch. of deben.	1,865	6,123
Total income	$ 4,028,958	$ 3,366,610
Cost of sales	2,353,331	1,961,401
Expenses	1,490,749	1,390,639
Interest expense	98,674	73,039

Income (loss) before taxes	$ 86,204	$ (58,469)
Income taxes (credit)	21,649	(1,100)
Net Income (Loss)	$ 64,555	$ (57,369)

* Included in Costs and Expenses, Depreciation and Amortization: $53,029 in 1981 and $46,932 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 21,171	$ 46,220
Accts. receiv., net	603,699	581,674
Joint venture	—	36,520
*Inventories	452,148	367,026
Prepaid expenses	22,218	10,783
Current Assets	$ 1,099,236	$ 1,042,223
#Fixed assets	553,162	508,531
Defer. expenses	46,484	30,964
Total Assets	$ 1,698,882	$ 1,581,718

Liabilities

Long-term debt, curr.	$ 70,375	$ 70,375
Cap. lease oblig., curr.	30,088	20,075
Accts. payable	258,343	287,892
Other accruals	120,467	98,612
Accrued payroll	31,388	21,145
Accrued taxes	55,348	74,848
Curr. Liabilities	$ 566,009	$ 572,947
Long-term debt	70,375	140,750
Note payable	449,800	345,200
Deferred income	—	18,758
Cap. lease oblig.	72,796	45,534
Deferred inc. taxes	15,000	—
+Common stock	43,816	43,500
Add. paid-in capital	279,302	277,800
Retained earnings	201,784	137,229
Total Liabilities & Shareholders' Equity	$ 1,698,882	$ 1,581,718

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.22	—
%Net Income to Sales	1.66	—
%Net Income to Equity	12.30	—
Sales to Inventories	8.59	8.79
Working Capital	$533,227	$596,154
Current Ratio	1.94	2.04
Shareholders' Equity	$524,902	$458,529

Paradyne Corporation

8550 Ulmerton Road
Largo, Florida 33540
(813) 530-2000

Officers: Robert S. Wiggins, chairman of the board, president & chief executive officer; Robert W. Jones, v.p., treasurer, controller & secretary; Jerry T. Kendall, v.p.-U.S. marketing; George B. Pressly, v.p.-corporate development & product planning; Robert J. Shea, v.p.-international marketing; F. William Siegnst, v.p.-special products division; Kenneth R. Wall, v.p.-manufacturing.

Directors: Paul J. Ferri, Frederick K. Fluegel, Robert S. Wiggins, chairman; Henry H. Greer, J. Thomas Lawson, James K. Taggart.

Areas of Work: Designs, manufactures, markets, and services medium and high speed data communications equipment. The two principal product lines include: Modems and Analysis systems to allow transmission of computer information over telephone lines and PIX systems designed to communicate between remote peripheral devices and IBM computers.

Subsidiaries:

Paradyne Caribbean
8550 Ulmerton Road
Largo, Florida 33541

Paradyne Canada, Ltd.
200 Consumers Road Suite 504
Willowdale, Ontario M2J 4R4
Canada

Paradyne (U.K.) Ltd.
Gretag House
William Street
Windsor, Berkshire SL41BB
England

Paradyne GmbH
Maarweg 141
5000 Koeln 41
West Germany

Transfer Agent(s):

State Street Bank & Trust Company
225 Franklin Street
Boston, Massachusetts 02101

Stock Exchange(s): New York

Ticker Symbol: PDN

Number of Employees:

1981	2,638	1980	1,617

Plant Footage:

1980 . . . . . . 250,000 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 135,413,000	$ 17,508,000
1980	75,907,000	8,247,000
1979	41,441,000	4,765,000
1978	25,899,000	3,087,000
1977	15,358,000	1,554,000

	No. of Com. Shares †	Earn. per Share † ‡
1981	12,878,931	$ 1.36
1980	11,204,067	0.74
1979	9,107,960	0.45
1978	7,744,450	0.21
1977	6,258,054	0.13

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.
‡ Including extraordinary gains of $648,000 ($0.07 per share) in 1979, $1,480,000 ($0.19 per share) in 1978 and $740,000 ($0.12 per share) in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	4-for-3 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 117,745,000	$ 9.14
1980	64,128,000	5.72
1979	31,809,000	3.49
1978	15,706,000	2.03
1977	6,047,000	0.97

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 111,997	$ 60,990
Other income	23,416	14,917
Total Revenues	$ 135,413	$ 75,907
Cost of sales & revenues	69,642	36,446
Expenses	48,180	28,548
Interest income	(3,605)	(965)
Income before taxes	$ 21,196	$ 11,878
Income taxes	3,688	3,631
Net Income	$ 17,508	$ 8,247

* Included in Costs and Expenses, Depreciation and Amortization: $8,617,000 in 1981 and $4,714,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cash invest.	$ 5,837	$ 3,977
Invest. in sales-type lease	12,147	4,815
Accts. receiv., net	35,010	17,300
*Inventories	42,846	25,056
Prepaid expenses	1,756	766
Current Assets	$ 97,596	$ 51,914
Invest. in sales type lease	22,291	8,515
#Equip. on oper. leases	18,120	11,328
#Fixed assets	37,274	13,793
Other assets	238	120
Total Assets	$ 175,519	$ 85,670

Liabilities
(000's)

Loans payable	$ 16,731	$ 30
Accts. payable	11,445	8,331
Accruals:		
Salaries commissions bonuses	2,336	1,562
Profit sharing	950	675
Income taxes	2,419	194
Deferred inc. taxes	1,166	952
Other liab.	3,391	1,556
Curr. Liabilities	$ 38,438	$ 13,300
Long-term debt	17,814	5,958
Deferred income taxes	1,522	2,284
+Common stock	1,288	1,147
Add. paid-in capital	89,572	52,975
Retained earnings	27,514	10,006
Treasury (loss)	(629)	—
Total Liabilities & Shareholders' Equity	$ 175,519	$ 85,670

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	15.65	15.65
%Net Income to Revenues	12.93	10.86
%Net Income to Equity	14.87	12.86
Working Capital	$ 59,158,000	$38,614,000
Current Ratio	2.54	3.90
Shareholders' Equity	$117,745,000	$64,128,000

Park Electrochemical Corp.

475 Northern Boulevard
Great Neck, New York 11021
(516) 466-5700

Officers: Jerry Shore, chairman, chief executive officer and president; William R. Bastian, Stanley H. Randall, vice presidents; Harry Linzer, secretary & treasurer.

Directors: Anthony Chiesa, Leon H. Keyserling, Thomas H. Quinn, Jerry Shore, A. Michael Victory, Norman M. Schneider.

Areas of Work: Manufactures, through its eight operating companies— (1) plastic and aluminum decorative trim for the automobile, appliance, digital watch and calculator, jewelry, cosmetic, personal care and specialty industries; (2) printed circuit materials for the computer, telecommunication, military and consumer electronics industries; (3) high reliability adhesive bonding films for industrial and medical applications; (4) plated plastic and zinc plumbing hardware as well as plated zinc parts for the automobile and appliance industry; and (5) metal and plastic nameplates for industry.

Divisions and Subsidiaries:

New England Laminates Co., Inc.
Elm Street
Walden, New York 12586

Grand Rapids Die Casting Corp.
Zin-Plas Corporation
Stem Search Corporation
25 North Park Street
Comstock Park, Michigan 49321

Dielectric Polymers, Inc.
218 Race Street
Holyoke, Massachusetts 01040

Park Nameplate Co., Inc.
33-37 Farrington Street
Flushing, New York 11354

Hallmark Nameplate, Inc.
1855 New Highway
Farmingdale, New York 11735

Nelco Products, Inc.
1100 E. Kimberly Avenue
Anaheim, California 92801

New England Laminates (U.K.) Limited
Skelmersdale, Lancashire,
United Kingdom

Closed Loop Environmental and Recovery Corporation
475 Northern Boulevard
Great Neck, New York 11021

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: PKE

Plant Footage*:

1981 . . . . . . 92,400 sq. ft.

* Electronic circuitry manufacturing only.

Sales and Earnings

	Net Sales	Net Income
1982	$ 55,006,000	$ 1,540,000
1981	49,828,000	1,485,000
1980*	54,370,000	1,626,000
1979	42,920,000	454,000
1978	37,497,000	263,000

	No. of Com. Shares #	Earn. per Share #
1982	1,187,000	$ 1.30
1981	1,187,000	1.25
1980	1,169,000	1.39
1979	1,146,387	0.40
1978	1,126,038	0.23

* 53 weeks.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1982	1981
Decorative materials	$ 28,203,000	$ 23,696,000
Circuitry materials	26,803,000	26,132,000
Total	$ 55,006,000	$ 49,828,000

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 14,305,000	$ 11.97
1981	12,622,000	10.90
1980	11,099,000	9.72
1979	9,432,417	8.48
1978	8,986,220	8.06

Income Account *

Year ended	2/28/82	3/1/81 (53 weeks)
Net sales	$ 55,006,000	$ 49,828,000
Cost of sales	45,689,000	40,994,000
Expenses	7,196,000	6,619,000
Interest (income) expense	(46,000)	42,000
Income before taxes	$ 2,167,000	$ 2,173,000
Income taxes	627,000	688,000
Net Income	$ 1,540,000	$ 1,485,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,201,000 in 1981 and $1,038,000 in 1981.

Assets

As of	2/28/82	3/1/81
Cash	$ 1,279,000	$ 938,000
Accts. receiv., net	7,369,000	7,441,000
*Inventories	5,180,000	4,906,000
Prepaid & other assets	450,000	519,000
Current Assets	$ 14,278,000	$ 13,804,000
#Fixed assets	9,338,000	7,596,000
Leased property	274,000	306,000
Other assets	137,000	486,000
Total Assets	$ 24,027,000	$ 22,192,000

Liabilities

Bank loans payable	$ 320,000	$ —
Long-term debt, curr.	18,000	65,000
Cap. lease oblig., curr.	38,000	33,000
Accts. payable	3,840,000	3,570,000
Accruals	2,260,000	2,081,000
Income taxes	55,000	568,000
Curr. Liabilities	$ 6,531,000	$ 6,317,000
Long-term debt	2,016,000	2,376,000
Cap. lease oblig.	440,000	478,000
Deferred inc. taxes	735,000	399,000
+Common stock	121,000	118,000
Add. paid-in capital	3,900,000	3,783,000
Retained earnings	10,345,000	8,805,000
Treasury stock	(61,000)	(84,000)
Total Liabilities & Shareholders' Equity	$ 24,027,000	$ 22,192,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.94	4.36
%Net Income to Sales	2.80	2.98
%Net Income to Equity	10.77	11.77
Sales to Inventories	10.62	10.16
Working Capital	$ 7,747,000	$ 7,487,000
Current Ratio	2.19	2.19
Shareholders' Equity	$14,305,000	$12,622,000

Parker Hannifin Corporation

17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Officers: Patrick S. Parker, chairman of the board, president and chief executive officer; Richard Bertea, Donald S. Manning, sr. v.p.'s; R.C. Barnd, v.p.; Frederick A. Downey, exec. v.p.-finance & administration; Zdenek J. Lansky, v.p.-technical director; Alfred W. Lindstrom, v.p.-int'l. operations; John L. Hanson, v.p.-employee relations; Paul G. Schloemer, Dennis W. Sullivan, exec. v.p.'s; Harold C. Guerney, Jr., controller; John Wenzel, v.p.; Joseph C. Whiteman, general counsel & secretary; Wallace C. Young, treasurer; Duane E. Collins, James P. Mockler, Lawrence J. Hopcraft, Rhinehold G. Pastryk, group presidents.

Directors: Allen N. Aiman, Keith S. Benson, Robert W. Cornell, Allen H. Ford, Joseph W. Hibben, Frank A. LePage, Hugh D. Luke, Reynold C. MacDonald, Donald S. Manning, Patrick S. Parker, Philip Rauch, Scott A. Rogers, Jr., Maurice L. Schwarz, Richard Bertea, John G. Breen, Robert H. Cannon, Jr.

Areas of Work: Industrial products include: hydraulic, pneumatic and cryogenic cylinders, valves, controls, and filters; hydraulic pumps, accumulators, motors, and power system units; hose, tube and applicable connectors and fittings; sealing devices; worm drive clamps; refrigeration and air conditioning system components. Aviation/Space/Marine Products include: gas tubine fuel injection control valves and nozzles; precision control valves for cryogenic and conventional fuels; valves for pressurized gases used in space experiments and space craft altitude jets; hydraulic valves. Automotive products include: worm drive clamps; thermostats; windshield wiper blades and refills; windshield washer pumps; turn signal and hazard warning flashers; mirrors; radio antennas; air conditioner fittings, hose assemblies, receiver-dryers, valves, couplers and mufflers; grease guns; oilers; tire valves, gauges and hardware; air line couplers; blow guns; seals; disc and drum brake fluids and components.

Operating Groups:

Parker Bertea Aerospace Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Automotive Aftermarket Group
1000 Pennsylvania Avenue
Brooklyn, New York 11207
(212) 498-4000

Fluid Connectors Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluidpower Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

International Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Refrigeration Components Group
2421 South 25th Avenue
Broadview, Illinois 60153
(312) 681-3576

Seal Group
2360 Palumbo Drive
Lexington, Kentucky 40509
(606) 269-2351

Airborne Mfg. Co.
Manufactures a broad line of fluid systems for the builders and users of private and business aircraft.

E. Edelman Co.
Northbrook, Illinois
Manufactures replacement gas and radiator caps, power steering components, and fluid monitoring devices.

Acquisition(s):

Ermeto Armaturen GmbH (Dec. 1980)
Bielefeld, West Germany
Produces metric fluid connectors and valves.

Clark-Feather Manufacturing Co.

Transfer Agent(s):

The AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): New York

Number of Employees:

1981	22,291	1978	17,705
1980	20,051	1977	16,676
1979	20,212		

Parker Hannifin Corporation

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,105,891	$ 64,062
1980	1,022,376	55,974
1979	892,152	53,196
1978	729,286	40,816
1977	615,310	34,678

	No. of Com. Share #	Earn. per Share #
1981	15,556,000	$ 4.12
1980	14,719,000	3.80
1979	14,624,000	3.64
1978	14,214,000	2.87
1977	14,159,000	2.45

# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Industrial	$ 650,510	$ 612,550
Aviation/Space/Marine	247,322	223,705
Automotive	209,532	187,635
Interseg. sales	(1,473)	(1,514)
Total	$ 1,105,891	$ 1,022,376

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.32	—	—
1980	1.20	—	—
1979	1.125	—	—
1978	1.025	—	—
1977	0.85	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 428,289,000	$ 25.79
1980	337,558,000	22.89
1979	298,012,000	20.30
1978	255,245,000	17.93
1977	225,488,000	15.88

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 1,105,891	$ 1,022,376
Cost of sales	845,050	791,058
Expenses	138,091	120,202
Interest expense	22,818	20,408
Interest & other income	(1,665)	(1,722)
Gain on disposal of land	(6,745)	—
Income before taxes	$ 108,342	$ 92,430
Income taxes	44,280	36,456
Net Income	$ 64,062	$ 55,974

* Included in Costs and Expenses, Depreciation: $28,300,000 in 1981 and $22,776,000 in 1980.

Assets
(000's)

As of June 30	1981	1980
Cash	$ 539	$ 297
Investments	4,402	1,440
Accts. receiv., net	177,873	158,095
*Inventories	298,980	270,054
Prepaid expenses	6,482	5,157
Current Assets	$ 488,276	$ 435,043
Investments & other assets	16,174	8,100
Fixed assets	268,344	207,300
Intangibles	4,213	3,250
Total Assets	$ 777,007	$ 653,693

Liabilities

	1981	1980
Notes payable	$ 32,849	$ 48,798
Accts. payable	52,984	48,322
Accruals	41,642	32,237
Accrued payroll	30,212	23,126
Accrued taxes	36,191	18,392
Current Liabilities	$ 193,878	$ 170,875
Long-term debt	139,152	135,187
Deferred inc. taxes	15,688	10,073
+Common Stock	8,304	7,378
Add. paid-in capital	83,773	40,607
Retained earnings	336,212	289,774
Treasury stock	—	(201)
Total Liabilities & Shareholders' Equity	$ 777,007	$ 653,693

* At lower of cost or market. Majority of domestic inventories stated at LIFO; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	9.80	9.04
%Net Income to Sales	5.79	5.47
%Net Income to Equity	14.96	16.58
Sales to Inventories	3.70	3.79
Working Capital	$294,398,000	$264,168,000
Current Ratio	2.52	2.55
Shareholders' Equity	$428,289,000	$337,558,000

The Penn Central Corporation

245 Park Avenue
New York, New York 10167
(212) 599-8000

Officers: Richard Dicker, chairman of the board & chief exec. officer; Richard A. Voell, president & chief operating officer; Francis A. Kareken, sr. v.p. & general counsel; Tornley B. Wood, Jr., sr. v.p. - human resources; Richard W. Ballantine, v.p. & treasurer; Edward L. Claypole, v.p. - sales & engineering/rail properties; Robert J. Fahey, v.p. - personnel & administration; E. Joseph Hochreiter, v.p. - corporate development; Lorian L. Marlanes, v.p. - business planning & analysis; Robert W. Olson, v.p. & deputy general counsel; Keith M. Perkins, v.p. - public affairs; Frderick W. Rovet, v.p. - real estate; Ernest R. Varalli, v.p. & controller; David K. McConnell, secretary; Robert P. Jensen, chairman, president & chief executive officer - GK Technologies, Inc.

Directors: Richard Dicker, chairman; George M. Crandles, A. Leon Fergenson, Alvin Friedman, John W. Ingraham, Robert P. Jensen, Ralph E.Kent, William F. Ludwig, Thomas M. Macioce, Roland E. Remley, III, Richard J. Smith, Howard L. Terry, James H. Torrey, Richard A. Voell, John H. Williams, Gene M. Woodfin.

Electronics and Telecommunications Group:

GK Technologies Incorporated
500 West Putnam Avenue
Greenwich, Connecticut 06830
(203) 661-0100

Manufactures and markets wire, cable and related products used in communications, electronics and other applications. Also maufactures fixed capacitors, thick-film resistors, thick film hybrid circuits, filters, magnetic components, transistors and special purpose assemblies.

Sprague Electric Company
87 Marshall Street
North Adams, Massachusetts 01247

General Cable Company
411 West Putnam Avenue
Greenwich, Connecticut 06830

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New Yor, New York 10005

Stock Exchange(s): New York, Philadelphia, Pacific

Ticker Symbol: PC

Number of Employees*:

1981   22,000

* Includes only the Electronics and Telecommunications Group.

Sales and Earnings

	Net Sales	Net Income
1981	$3,348,800,000	$ 168,700,000
1980	2,013,700,000	93,600,000
1979	1,087,300,000	57,000,000
1978 + ...	667,100,000	53,000,000
1977 + ...	504,700,000	35,800,000

	No. of Com. Shares	Earn. per Share #
1981	31,976,679	$ 4.18
1980	31,986,525	1.81
1979	34,730,625	1.61
1978 + ...	34,730,625	1.03

+ Pro-forma.
† Adjusted to reflect stock split.
# Based on weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Energy & Natural Resources:		
Equipment	$ 495,300	$ 377,500
Services	1,217,200	1,015,300
Development	230,100	191,800
Electronics & Telecommunications:		
Electronic & electrical components	354,600	—
Wire & cable	286,600	—
Technical services & prods.	306,000	26,800
Other prods. & services	459,000	402,300
Total	$ 3,348,800	$ 2,013,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$1,309,300,000	$ 40.95
1980	1,081,200,000	33.81
1979	489,500,000	14.10
1978	385,900,000	11.11

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 3,348,800	$ 2,013,700
Cost of sales	2,147,800	1,367,200
Oper. expenses	553,100	258,200
Depreciation & amortization	103,100	61,200
Gen. & adm. expenses	162,600	88,300
Div. & interest income	(45,800)	(4,200)
Interest & debt expense	100,000	43,900
Corp. & adm. expenses	29,000	21,400
Income taxes	24,500	13,700
Other incm	(16,400)	(4,700)
Income before taxes	$ 290,900	$ 168,700
Income taxes	122,200	75,100
Net Income	$ 168,700	$ 93,600

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 27,500	$ 38,100
Temp. investments	63,700	141,900
Receivables	469,900	256,300
*Inventories	623,500	354,500
Prepaid expenses	20,800	17,200
Current Assets	$ 1,205,400	$ 808,000
Real estae inventories	204,100	167,600
Investments	174,200	58,200
#Fixed assets	1,191,400	845,000
Other asets	81,400	63,900
Intangibles	241,900	79,400
Assets held for dispos.	296,500	331,900
Valuation case receiv.	—	372,900
Total Assets	$ 3,394,900	$ 2,726,900

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 49,300	$ 47,000
Bank borrowing	30,600	41,800
Accts. payable	213,600	153,000
Accruals	205,500	79,400
Income taxes	27,600	16,500
Cust. advance pay	76,700	81,100
Curr. Liabilities	$ 603,300	$ 418,800
Long-term debt	733,200	497,700
Other liab.	50,600	16,600
Minority interest	60,300	40,100
Deferred inc. taxes	30,000	16,000
Reorg. liab.	294,200	342,500
Redeem preferred stock	314,000	314,000
+Common stock	34,700	23,200
Add. paid-in capital	1,074,500	991,600
Retained earnings	248,100	114,400
Treasury stock	(48,000)	(48,000)
Total Liabilities & Shareholders' Equity	$ 3,394,900	$ 2,726,900

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	8.69	8.38
%Net Income to Sales	5.04	4.65
%Net Income to Equity	12.88	8.66
Sales to Inventories	5.37	5.68
Working Capital	$ 602,100,000	$ 389,200,000
Current Ratio	2.00	1.93
Shareholders' Equity	$1,309,300,000	$1,081,200,000

Penril Corp.

5520 Randolph Road
Rockville, Maryland 20852
(301) 881-8151

Officers: Kenneth M. Miller, president & chief executive officer; Alva T. Bonda, chairman of the board & treasurer; William S. Lambdin, v.p. & general manager-Electro-Metrics Div.; Charles N. Hasley, v.p. & general manager-Data Tech. Div.; Frank S. DiGirolamo, v.p.-Epicure Products, Inc.; Jack D. Phillips, v.p. & gen. mgr.-Technipower Div.; John D. Pamiletti, v.p. & gen. mgr.-Data Communications Div.; Paul E. Keane, exec. v.p.; Harry O. Christenson, secretary; Gloria Ehrlich, asst. secretary.

Directors: Alva T. Bonda, chairman; Merrill Solomon, Kenneth M. Miller, Dennis B. Heffernan, Richard D. Margolis.

Areas of Work: Designs, manufactures and markets data communications equipment, electronic test and measurement instruments, electronics power supplies, electronic power conversion and consumer audio equipment.

Divisions:

Data Communications Division
5520 Randolph Road
Rockville, Maryland 20852
(301) 881-8151

Manfactures data communications equipment.

Electro-Metrics Division
100 Church Street
Amsterdam, New York 12010
(518) 843-2600

Maufactures test instruments for measurement of RFI/EMI (radio frequency and other electromagnetic interference).

Data Tech Division
3110 W. Segerstrom Avenue
Santa Ana, California 92704
(714) 546-7160

Manufactures electronic digital instrument products which include digital panel meters, digital multimeters, analog to digital converters, logic modules and computer memory devices.

Technipower Division
Commerce Drive
Commerce Park
Danbury, Connecticut 06810
(203) 748-7001

Manufactures power conversion equipment including high reliability encapsulated power supplies, auto transformers and voltage regulators.

Subsidiaries:

Penril Technical S.A.
6 Rue De La Corsaz
CH 1820
Montreux, Switzerland

Manufactures high reliability encapsulated power supplies.

Epicure Products, Inc.
25, Hale Street
Newburyport, Massachusetts 01950
(617) 462-1000

Manufactures high fidelity loudspeaker systems and markets transcription turntables.

Transfer Agent(s):

National Bank of Washington
4340 Connecticut Avenue, N.W.
Washinton, D.C. 20008

Morgan Guaranty & Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: PNL

Number of Employees:

1981	730	1978	600
1980	680	1977	400
1979	670		

Plant Footage:

1981	204,000 sq. ft.	1978	269,343
1980	197,200	1977	132,000
1979	269,343		

Sales and Earnings

	Revenues	Net Income
1981	$ 40,073,414	$ 2,286,631
1980	33,333,828	1,783,405
1979	22,691,797	1,453,169
1978	13,608,980	1,085,170
1977	9,582,844	820,834

	No. of Com. Shares #	Earn. per Share #
1981	1,989,066	$ 1.15
1980	1,324,884	1.35
1979	1,317,719	1.10
1978	1,299,791	0.83
1977	1,272,378	0.65

# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.15	—	—
1979	0.125	—	—
1978	0.075	—	—
1977	0.04	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 15,850,918	$ 7.97
1980	13,356,310	10.08
1979	6,129,666	4.65
1978	4,767,931	3.67
1977	3,757,478	2.95

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended July 31	1981	1980
Net sales & revenues	$ 40,073,414	$ 33,333,828
Cost of sales	23,149,284	18,550,339
Expenses	12,042,976	10,536,295
Interest expense	914,775	1,156,609
Other income	(195,952)	(150,720)
Income bef. taxes	$ 4,162,331	$ 3,241,305
Income taxes	1,875,700	1,457,900
Net Income	$ 2,286,631	$ 1,783,405

*Included in Costs and Expenses, Depreciation and Amortization: $842,745 in 1981 and $775,224, in 1980.

Assets

As of July 31	1981	1980
Cash	$ 441,658	$ 453,829
Accts. receiv., net	9,923,962	7,015,701
Other receiv.	184,383	234,965
*Inventories	1,655,856	10,321,032
Other assets	143,476	452,737
Current Assets	$ 22,349,335	$ 18,478,264
Receivables	204,635	239,659
#Fixed assets	3,539,479	3,538,149
Other assets	770,901	720,371
Equip. leased	336,791	490,560
Intangible	1,066,227	1,119,831
Total Assets	$ 28,267,368	$ 24,586,834

Liabilities

	1981	1980
Long-term debt, curr.	$ 19,756	$ 13,758
Accts. payable	2,787,093	3,268,201
Accrued comp.	1,198,981	1,025,051
Accrued interest	233,481	4,479
Other accruals	451,126	430,774
Income taxes	673,952	95,114
Reserve for prod. warranty	229,137	187,481
Curr. Liabilities	$ 5,593,526	$ 5,024,858
Long-term debt	6,424,908	5,796,242
Other liabilities	21,016	49,424
Deferred inc. taxes	377,000	360,000
+Common stock	19,568	19,057
Add. paid-in capital	8,757,371	8,265,200
Retained earnings	7,130,699	5,131,428
Treasury stock	(35,001)	(35,001)
Note receiv.	(21,719)	(24,374)
Total Liabilities & Shareholders' Equity	$ 28,267,368	$ 24,586,834

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.39	9.72
%Net Income to Sales	5.71	5.35
%Net Income to Equity	24.20	13.35
Sales to Inventories	3.44	—
Working Capital	$16,755,809	$13,453,406
Current Ratio	4.00	3.68
Shareholders' Equity	$15,850,,918	$13,356,310

Pentron Industries, Inc.

3690 Orange Place, Suite 250
Beachwood, Ohio 44122
(216) 464-4800

Officers: H. Harold Ballonoff, chairman of the board, treasurer, & chief exec. officer; Harry Scharf, president & chief operating officer; Edward R. Brown, vice president, counsel & secretary; Bernard Zeller, v.p. & treasurer; J.C. Mabry, v.p. & gen. mgr.-Southern Electric Division.

Directors: Carl M. Adams, H. Harold Ballanoff, Edward R. Brown, Harry Scharf, Samuel J. Krasney.

Areas of Work: Produces lithographed metal and plastic housewares items and specialty promotional items; personal home record file boxes; small items cabinets, filing cabinets and desks; molded plastic products and rigid and flexible extruded plastic parts; replacement coils for large electrieal motors and generators; develops and manufactures innovative electrical digital "readout" measuring instruments used in the installation of telephone and pipelines and electronic fabric measuring equipment used in retail stores.

Divisions and Subsidiaries:

Dynalab, Inc.
Columbus, Ohio

Ballonoff Home Products Division
Cleveland, Shelby & Columbiana, Ohio

Nu-Metrics Division
Connellsville, Pennsylvania
Beachwood, Ohio

M/S Industries, Inc.
Columbus, Ohio

Southern Electric Division
Hammond, Indiana
El Paso, Texas

Plexpro Plastics Division
Middlefield, Ohio

Transfer Agent(s):

Registrar and Transfer Co.
Jersey City, New Jersey

Stock Exchange(s): American

Ticker Symbol: PEN

Sales and Earnings +

	Net Sales	Net Income ‡
1981	$ 26,124,152	$ (357,978)
1980	27,923,393	238,424
1979	25,184,143	408,556
1978	19,116,488	722,106
1977	15,276,909	353,611

	No. of Com. Shares #	Earn. per Share ‡ #
1981	3,208,256	$ —
1980	3,266,601	0.07
1979	3,266,619	0.13
1978	3,211,048	0.22
1977	3,227,591	0.11

+ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Including extraordinary gain of $107,295 ($0.03 per share) in 1978.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Houseware prods.	$ 18,416,392	$ 19,273,130
Electrical prods.	7,162,149	8,057,110
Electronic prods.	545,611	593,153
Total	$ 26,124,152	$ 27,923,393

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 4,583,348	$ 1.43
1980	4,909,451	1.50
1979	4,671,027	1.43
1978	4,217.816	1.31

† Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1981	1980 ‡
Net sales	$ 26,124,152	$ 27,923,393
Cost of sales	21,468,455	22,236,923
Expenses	4,377,277	4,618,244
Interest expense	810,189	730.584
Other expense (income)	89,209	(10,782)
Income (loss) before taxes	$ (620,978)	$ 348,424
Income taxes (credit)	(263,000)	112,000
Net Income (loss)	$ (357,978)	$ 241,129

* Included in Costs and Expenses, Depreciation and Amortization: $715,604 in 1981 and $627,564 in 1980.
‡ Restated.

Assets

As of June 30	1981	1980 ‡
Cash	$ 256,935	$ 202,044
Accts. & notes receiv., net	2,959,663	2,950,925
* Inventories	5,064,476	5,026,611
Prepaid expenses & curr. assets	67,343	96,534
Refundable inc. taxes	288,749	—
Def. inc. taxes	175,700	78,400
Current Assets	$ 8,812,866	$ 8,354,514
#Fixed assets	3,890,371	4,218,953
Other assets	346,913	493,828
Total Assets	$ 13,050,150	$ 13,067,295

Liabilities

	1981	1980 ‡
Notes payable	$ 1,300,000	$ 313,672
Long-term debt, curr.	1,062,367	655,594
Accts. payable	1,477,683	1,473,523
Accruals	758,775	728,243
Accrued payroll	362,800	392,672
Income taxes	42,512	125,421
Other liabilities	14,847	16,819
Curr. Liabilities	$ 5,018,984	$ 3,705,944
Long-term debt	3,131,481	4,194,993
Deferred inc. taxes & credits	316,337	256,907
+ Common stock	3,218,256	3,179,256
Add paid-in capital	237,169	244,294
Retained earnings	1,127,923	1,485,901
Total Liabilities & Shareholders' Equity	$ 13,050,150	$ 13,067,295

‡ Restated.
* At lower of cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.25
%Net Income to Sales	—	0.86
%Net Income to Equity	—	4.91
Sales to Inventories	5.16	5.56
Working Capital	$3.793,882	$4,648,570
Current Ratio	1.76	2.25
Shareholders' Equity	$4,583,348	$4,909,451

The Perkin-Elmer Corporation

Main Avenue
Norwalk, Connecticut 06856
(203) 762-1000

Officers: Robert H. Sorensen, chairman of the board & chief executive officer; Horace G. McDonell, Jr., president & chief operating officer; Michael D. Stashower, sr. v.p.-finance; Richard C. Schulz, comptroller; Alfred H. Munkenbeck, Jr., v.p. & treasurer; James P. Gregory, v.p., gen. counsel & secretary; Thomas P. Fahy, v.p.-operations staff; Eugene F. Gross, v.p.-industrial relations; Philip C. Danford, asst. treasurer; C. Wendell Bergere, Jr., asst. secretary.

Directors: Robert H. Sorensen*, chairman of the board; Chester W. Nimitz, Jr.*, George C. Dacey*, E. Russell Eggers. Horace G. McDonell, Jr.*, J. David Parkinson, John S. Scott*, Robert E. Thomas*, Charles H. Townes*, James L. Bast.

*Member of Executive Committee.

Areas of Work: Products manufactured by the Instrument Group include; infrared, ultraviolet and visible spectrophotometers; atomic absorption and fluorescence spectrophotometers; nuclear magnetic resonance, mass spectrometers; gas and liquid chromatographs; vacuum plasma spray systems; elemental, thermal and amino acid analyzers; pH meters; flame photometers; polarimeters; colorimeters; electron microscopes; molecular weight apparatus; iron pumps and high vaccuum systems; concentration readouts, data recorders and computer interface equipment. The Optical Group manufactures optical and electro-optical systems as well as electronic components, including: missile and satellite tracking systems; aerial cameras, astronomical telescopes and systems; precision measuring systems; optical data processing systems; physical measurement systems; sighting devices; photographic data assessment systems; optical subsystems; components and coatings; laser systems; A.C. potentiometers; conductive plastic potentiometers; and precision electro-mechanical switches. The Data Systems Group manufactures minicomputers and software packages and packaged systems; tape, disc and floppy drives; controllers and formatters; printer terminals. Also manufactures automatic flight control systems, instrument checkout equipment, inertial navigation systems, airborne computers and missile systems, and flame spray equipment and supplies.

Divisions and Subsidiaries:

Instrument Group
Laboratory analytical instruments, high vacuum equipment, digital products.

Instrument Division
Norwalk, Connecticut

Instrument Group Marketing Division
Norwalk, Connecticut

Coleman Instruments Division
Oak Brook, Illinois

Plasma Products Division
Mountain View, California

Surface Sciences Division
Physicial Electronics Division

Optical Group
Precise optics and electro-optical systems.

Electro-Optical Division
Wilton, Connecticut

Optical Technology Division
Danbury, Connecticut

Applied Optics Division
Costa Mesa, California

Aerospace Division
Pomona, California

Data Systems Group
Manufactures and markets small and medium-scale computers, software and packaged systems; tapes, disc and floppy disc drives; printers amd CRT terminals.

Interdata Division
Oceanport, New Jersey

Wangco Division
Los Angeles and Tustin, California

Terminals Division
Randolph, New Jersey

METCO, Inc.
Westbury, New York
Manufactures flame spraying equipment and materials.

Perkin-Elmer Carribbean Corp.
Mayaguez, Puerto Rico

Perkin-Elmer Limited
Beaconsfield, Bucks, England
Llantrisant, Wales

Bodenseewerk Geraetetechnik G.m.b.H.
Ueberlingen/Bodensee, West Germany

Bodenseewerk Perkin-Elmer & Co., G.m.b.H.

Perkins-Elmer, G.m.b.H.
Vienna, Austria

METCO Vertrieb G.m.b.H.
Vienna, Austria

Perkin-Elmer Industria E. Comercio Limitada
Sao Paulo and Rio de Janeiro, Brazil

METCO Iberica, S.A.
Madrid, Spain

METCO Belgium N.V.
Antwerp, Belgium

Perkins-Elmer (Canada) Limited
Calgary, Montreal, Ottawa, Toronto & Vancouver, Canada

METCO Canada Ltd.
Rexdale, Ontario, Canada

Perkin-Elmer AB
Copenhagen, Denmark

Perkin-Elmer OY
Helsinki, Finland

Perkin-Elmer France S.A.
Lyon, Nancy, Paris & Toulouse, France

METCO France S.A.
Argenteuil, France

Perkin-Elmer Nederland, B.V.
Delft, The Netherlands

METCO Nederland B.V.
Breda, The Netherlands

Perkin-Elmer Italiana S.p.A.
Milan, Padua & Rome, Italy

METCO Italia S.p.A.
Milan, Italy

Perkin-Elmer de Mexico, S.A.
Naucalpan de Juarez, Mexico

Perkin-Elmer AB
Oslo, Norway

The Perkin-Elmer Corporation (South Africa)
(Pty.) Limited
Alberton, Bellville & Durban, South Africa

Perkin-Elmer Hispania S.A.
Barcelona, Madrid & Seville, Spain

Perkin-Elmer AB
Goeteborg & Stockholm, Sweden

METCO Scandinavia A.B.
Stockholm Sweden

Perkin-Elmer AG
Zurich, Basel & Lausanne, Switzerland

METCO Limited
Chobham, Preston & Stratford-on-Avon
United Kingdom

METCO Vertrieb G.m.b.H.
Hattersheim (Main), West Germany

Perkin-Elmer International, Inc.
Delaware

Perkin-Elmer Export Corp.
Delaware

Interdata International, Inc.
Oceanport,New Jersey

Perkin-Elmer Data Systems, Ltd.
Canberra, Melbourne & Sydney, Australia

Interdata of Canada, Ltd.
Mississauga, Montreal & Ottawa, Canada

IDAT Computer Systems, Ltd.
Vancouver, British Columbia, Canada

Perkin-Elmer Data Systems, Ltd.
Uxbridge, Middlesex, United Kingdom

Interdata G.m.b.H.
Dusseldorf & Munich, Germany

Affiliates:

Daiichi METCO Co. Ltd.
Japan

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): New York, Pacific

Ticker Symbol: PKN

Number of Employees:

1981	15,402	1978	12,279
1980	15,290	1977	11,092
1979	13,708		

Sales and Earnings

	Net Sales	Net Income
1981	$1,115,830,000	$ 78,125,000
1980	996,149,000	68,245,000
1979	733,002,000	50,338,000
1978	581,445,000	34,733,000
1977	451,673,000	26,562,000

	No. of Com. Shares †	Earn. per Share †
1981	43,150,000	$ 1.81
1980	40,960,000	1.67
1979	39,822,000	1.27
1978	39,260,000	0.89
1977	38,958,000	0.68

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Instrument Group	$ 328,700	$ 293,300
Data Systems Group	232,500	214,700
Optical Group	353,700	303,900
METCO	100,900	100,300
Geraetetechnik	111,500	92,600
Inter Group	(11,500)	(8,700)
Total	$ 1,115,800	$ 996,100

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.42	—	2-for-1
1980	0.335	—	—
1979	0.245	—	—
1978	0.19	—	—
1977	0.158	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 449,798,000	$ 10.42
1980	381,090,000	9.30
1979	282,184,000	7.09
1978	237,923,000	6.06
1977	208,801,000	5.36

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended July 31	1981	1980
Net sales	$ 1,115,830	$ 996,149
Cost of sales	630,928	568,767
Expenses	340,015	296,776
Interest expense	12,989	12,451
Other income	(13,694)	(4,963)
Income before taxes	$ 145,592	$ 123,118
Income taxes	67,467	54,873
Net Income	$ 78,125	$ 68,245

* Included in Costs and Expenses, Depreciation and Amortization: $23,112,000 in 1981 and $18,394,000 in 1980.

Assets
(000's)

As of July 31	1981	1980
Cash	$ 36,247	$ 39,833
Marketable securities	93,000	54,500
Accts. receiv., net	221,480	214,493
*Inventories	274,610	248,870
Prepaid expenses & other assets	29,121	19,204
Current Assets	$ 654,458	$ 576,900
Marketable securities & time deposits	6,500	14,000
#Fixed assets	161,650	135,112
Other assets	17,554	15,210
Total Assets	$ 840,162	$ 741,222

Liabilities
(000's)

	1981	1980
Loans payable	$ 27,977	$ 16,762
Accts. payable	74,515	79,021
Accruals	49,644	44,304
Accrued payroll	51,833	45,974
Income taxes	39,999	27,851
Curr. Liabilities	$ 243,968	$ 213,912
Long-term debt	106,267	105,762
Other liabilities	35,784	36,573
Minority interest	4,345	3,885
+ Common stock	42,496	20,953
Add. paid-in capital	71,409	84,530
Retained earnings	335,994	275,607
Treasury cost (loss)	(101)	—
Total Liabilities & Shareholders' Equity	$ 840,162	$ 741,222

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.05	12.36
%Net Income to Sales	7.00	6.85
%Net Income to Equity	17.37	17.91
Sales to Inventories	4.06	4.00
Working Capital	$410,490,000	$362,988,000
Current Ratio	2.68	2.70
Shareholders' Equity	$449,798,000	$381,090,000

Photon Sources, Inc.

12163 Globe Road
Livonia, Michigan 48150
(313) 591-0101

Officers: William A. Penner, chairman of the board; Richard P. Scherer, president & chief executive officer; William A. Dager, vice president; Mark W. Griffin, secretary; Herman DeMarco, director of manufacturing; John S. Eckersley, director-sales and marketing; Carl A. Frederick, Jr., national sales manager; Ronald W. Kaiser, controller; L. Galan, chief engineer; Dr. Michael Yessik, director-research and development.

Directors: William A. Penner, chairman; David R. Miller, A. Dager, Mark W. Griffin, Alan E. Hill, Turner G. Brashear, Richard P. Scherer.

Areas of Work: Engaged in the development and production of industrial carbon dioxide lasers and laser machining systems centers.

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	162	1980	99

Plant Footage:

1981	70,000 sq. ft.	1978	36,500
1980	70,000	1977	22,500
1979	55,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,727,000	$ 347,280
1980	5,626,000	(642,168)
1979	6,275,000	385,148
1978	4,557,000	215,423
1977*	2,610,000	122,273

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,307,788	$ 0.27
1980	1,203,898	—
1979	1,085,116	0.35
1978	1,032,016	0.21
1977	1,004,434	0.12

* 9 months.
(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstandings, adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,939,147	$ 2.25
1980	2,287,566	1.90
1979	2,929,734	2.70
1978	1,260,586	1.22
1977	1,028,288	1.02

‡ Based on the weighted number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 8,727,141	$ 5,626,480
Cost of sales	4,347,501	3,066,643
Expenses	3,312,053	3,150,769
Interest expense	550,307	536,330
Income (loss) before taxes	$ 517,280	$ (1,127,262)
Income taxes (credit)	170,000	(485,094)
Net Income (Loss)	$ 347,280	$ (642,168)

* Included in Costs and Expenses, Depreciation and Amortization: $213,281 in 1981 and $139,805 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 426,993	$ 847,609
Receivables, net	2,506,075	1,130,312
Inc. tax refund.	30,938	514,409
*Inventories	2,299,227	2,228,496
Advances	146,358	52,695
Prepaid expenses	183,304	96,235
Current Assets	$ 5,592,895	$ 4,869,756
#Fixed assets	2,673,678	2,284,709
Other assets	376,893	147,772
Total Assets	$ 8,643,466	$ 7,302,237

Liabilities

Notes payable	$ —	$ 300,000
Long-term debt, curr.	76,014	631,816
Land contract pay.	—	1,036,971
Accts. payable	702,422	429,982
Deferred income taxes	153,000	—
Accrued prop. & other taxes	141,210	102,203
Accrued payroll	113,953	69,268
Accrued interest	11,250	86,621
Other accruals	157,858	125,988
Curr. Liabilities	$ 1,355,707	$ 2,782,849
Long-term debt	4,331,612	2,231,822
Deferred inc. taxes	17,000	—
+Common stock	661,949	601,949
Add. paid-in capital	1,635,858	1,391,557
Retained earnings	641,340	294,060
Total Liabilities & Shareholders' Equity	$ 8,643,466	$ 7,302,237

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.93	—
%Net Income to Sales	3.98	—
%Net Income to Equity	11.82	—
Sales to Inventories	3.80	2.52
Working Capital	$4,237,188	$2,086,907
Current Ratio	4.13	1.75
Shareholders' Equity	$2,939,147	$2,287,566

Pioneer-Standard Electronics, Inc.

4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Officers: Hyde E. Ruble, chairman of the board; Preston Heller, Jr., president & chief executive officer; James G. Stanforth, financial vice president & treasurer; John S. Zarka, secretary.

Directors: Hyde E. Ruble, chairman; William C. Fine, Preston Heller, Jr., James G. Stanforth, Victor Gelb, David S. Mayers, William G. Pivonka, Edwin Z. Singer, Bruce Tucker, John S. Zarka.

Areas of Work: Distributes industrial and consumer electronic components. Also operates laboratories for the manufacture, modification and repair of electronic meters and instruments.

Divisions:

Pioneer/Cleveland Division
4800 E. 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Pioneer/Dayton Division
4433 Interpoint Boulevard
Dayton, Ohio 45424
(513) 236-9900

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Pioneer/Instrumentation Division
4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Operates laboratories for the manufacture, modification, and repair of electronic meters and instruments. The manufactured products include Magsense lies of solid state sensing devices and the "Peaklok," a peak-reading voltmeter.

Srepco Division
314 Leo Street
Dayton, Ohio 45404
(513) 224-0871

Distributes consumer-type electronic components and units to radio-television repairmen and dealers. Based in Dayton, Ohio and operates branches in nine other Ohio cities.

Affiliates:

Pioneer/Washington Electronics, Inc.
(50% owned)
9100 Gaither Road
Gaithersburg, Maryland 20760
(301) 948-0710

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Transfer Agent(s):

Winters National Bank and Trust Company
Winters Bank Tower
Dayton, Ohio 45401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PIOS (NASDAQ)

Number of Employees:

1981	650	1978	490
1980	650	1977	450
1979	500		

Plant Footage:

1981	320,000 sq. ft.	1978	230,000
1980	320,000	1977	228,000
1979	240,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 110,664,455	$ 2,577,159
1981	94,715,123	3,620,523
1980	87,541,159	3,945,767
1979	66,731,400	2,817,890
1978	52,264,659	2,331,008

	No. of Com. Shares #	Earn. per Share #
1982	2,684,548	$ 0.96
1981	2,649,106	1.37
1980	2,632,740	1.50
1979	2,613,885	1.08
1978	2,596,622	0.90

# Based on average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1982	$0.180	—	—
1981	0.160	—	—
1980	0.133	—	3-for-2
1979	0.107	—	3-for-2
1978	0.089	—	—

# Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 24,798,476	$ 9.24
1981	22,540,411	8.47
1980	19,192,314	7.28
1979	15,544,935	5.94
1978	12,967,731	4.99

# Based on average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended March 31	1982	1981
Net sales	$ 110,664,455	$ 94,715,123
Cost of sales	83,466,503	69,980,926
Expenses	21,595,157	18,291,720
Oper. profit	$ 5,602,795	$ 6,442,477
Other income	38,521	40,472
Minority interest	308,262	743,232
Total	$ 5,949,578	$ 7,226,181
Interest expense	1,512,419	1,105,658
Income before taxes	$ 4,437,159	$ 6,120,523
Income taxes	1,860,000	2,500,000
Net Income	$ 2,577,159	$ 3,620,523

* Included in Costs and Expenses, Depreciation and Amortization: $488,713 in 1982 and $382,722 in 1981.

Assets

As of March 31	1982	1981
Cash	$ 346,366	$ 278,445
Accts. receiv. net	15,519,949	12,816,306
*Inventories	25,000,200	20,373,538
Prepaid expenses	73,647	131,150
Current Assets	$ 40,940,162	$ 33,599,439
Investments & other assets	3,822,760	3,508,398
# Fixed assets	5,802,544	4,939,463
Total Assets	$ 50,565,466	$ 42,047,300

Liabilities

Note payable	$ 6,000,000	$ 2,500,000
Long-term debt, curr.	131,929,	129,482
Accts. payable	9,626,185	6,627,111
Accruals	776,360	780,307
Accrued payroll	1,169,986	849,025
Income taxes	825,767	1,252,528
Curr. Liabilities	$ 18,530,227	$ 12,138,453
Long-term debt	7,236,763	7,368,436
+ Common stock	5,379,662	5,325,128
Add. paid-in capital	1,227,271	1,118,239
Retained earnings	18,191,543	16,097,044
Total Liabilities & Shareholders' Equity	$ 50,565,466	$ 42,047,300

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $2 stated value.

Statistical Summary

%Income bef. Taxes to Sales	4.01	6.46
%Net Income to Sales	2.33	3.82
%Net Income to Equity	10.39	16.06
Sales to Inventories	4.43	4.65
Working Capital	$22,409,935	$21,460,986
Current Ratio	2.21	2.77
Shareholders' Equity	$24,798,476	$22,540,411

Pitney-Bowes, Inc.

Walter H. Wheeler, Jr. Drive
Stamford, Connecticut 06926
(203) 356-5000

Officers: Fred T. Allen, chairman of the board & chief executive officer; George B. Harvey, president & chief operating officer; Carmine F. Adimando, v.p. & controller; James L. Bast, president & chief execitive officer-Dictaphone Corporation; Allan A. Crystal, v.p. & treasurer; Edward M. Harris, Jr., v.p.-secretary & general counsel; Hiro R. Hiranandani, group v.p.-Pitney Bowes Business Systems-International; Thomas R. Loemker, v.p.-president-Pitney Bowes Business Supplies; Thomas F. McGarry, v.p.-corporate communications; Harry W. Neinstedt, pres.-Pitney Bowes Financial Services; David B. O'Hearne, v.p.-legal affairs; Robert J. Pascal, group v.p.-Pitney Bowes Business Systems-U.S.; Elton R. Vogel, v.p.-financial & administration; William B. Wenning, Jr., v.p.-corporate develepment; Robet C. Rugen, v.p. -employee reltions.

Directors: Fred T. Allen, chairman; Colin G. Campbell, Samuel A. Casey, Donald W. Davis, John C. Emery, Jr., John P. Howland, John E. Kohnle, John O. Nicklis, Emil J. Pattberg, Jr., Frederick C. Smith, Julia M. Walsh, Kendrick R. Wilson, Jr., George B. Harvey, Denis F. Mullane, Arthur R. Taylor.

Areas of Work: Manufactures, markets, and services equipment and supplies in two segments; business systems and retail systems. Business systems include; postage meters, parcel registers, mailing machines, mail scales, mail openers, mailroom furniture, folders and inserters, collators, sorters, address printers, embossers, counters and imprinters, cigarette tax-stamping meters and machines, post office facing and canceling machines, and copiers and copier supplies. Retail systems include: price-making equipment, systems for the automatic encoding and recording of merchandise for inventory and sales recording purposes, and merchandise tags and labels.

Divisions and Subsidiaries:

Monarch Marking Systems, Inc.
Dayton, Ohio

Monarch Marking System, Ltd.
Canada

Monarch Marking System de Mexico, S.A. de C.V.
Mexico

Monarch Marking Systems Australia Pty., Ltd.
Australia

Pitney Bowes Credit Corporation
Darien, Connecticut

Artec Division
Mountain View, California

Pitney Bowes Marking Systems Ltd.
United Kingdom

PB Leasing Ltd.
United Kingdom

Pitney Bowes Business System
Stamford, Connecticut

Pitney Bowes of Canada, Ltd.

Pitney Bowes Maquinas Ltda.
Brazil

Pitney Bowes Austria Ges. m.b.H.

Pitney Bowes Oy,
Finland

Pitney Bowes France S.A.

Pitney Bowes Germany GmbH

Pitney Bowes Sweden, A.B.

Pitney Bowes Switzerland AG

Pitney Bowes Ltd.
United Kingdom

Dictaphone Corporation
120 Old Post Road
Rye, New York 10580

Manufactures, markets and distributes dictating machines, and business forms and supplies. Also provides temporary office service and is involved in the field of telephone answering services. Develops and markets multitrack recording and reproducing equipment for public communication, broadcasting and professional recording applications, as well as gas detecting systems.

Dictaphone Company, Limited, U.K.

Dictaphone Canada, Ltd.

Dictaphone International AG
Switzerland

Stafifor Data Products, B.V.
The Netherlands

Data Documents, Inc.

Grayarc Company, Inc.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Union Trust Company
300 Main Street
Stamford, Connecticut 06904

Stock Exchange(s): New York

Ticker Symbol: PBI

Number of Employees:

1981	26,791	1978	19,719
1980	26,969	1977	18,649
1979	25,182		

Sales and Earnings ‡

	Revenues	Net Income
1981	$ 1,414,414,000	$ 69,535,000
1980	1,258,018,000	72,086,000
1979	1,025,598,000	61,722,000
1978	711,284,000	44,948,000
1977	605,973,000	40,938,000

	No. of Com. Shares #	Earn. per Share # ‡
1981	18,404,232	$ 3.78
1980	17,445,565	4.13
1979	15,772,863	3.90
1978	13,526,380	3.29
1977	13,378,184	2.92

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Business systems:		
Mailing equip.	$ 742,900,000	$ 661,300,000
Copier prods.	138,800,000	129,400,000
Dictating Systems	171,000,000	149,800,000
Retail Systems	161,200,000	143,800,000
Business supplies & services	200,500,000	173,700,000
Total	$1,414,400,000	$1,258,000,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.60	—	—
1980	1.45	—	—
1979	1.25	—	—
1978	1.05	—	—
1977	0.85	—	—

Pitney-Bowes, Inc.

Common Stock Equity †

	Total Equity ‡	Equity Per Share #
1981	$ 424,575,000	$ 23.07
1980	359,815,000	20.63
1979	284,432,000	18.03
1978	233,875,000	17.29
1977	197,701,000	14.78

† Restated.
‡ After allowing for preferred stock at stated value.
# Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 973,042	$ 868,241
Rentals	256,086	230,018
Service	185,286	159,759
Revenues	$ 1,414,414	$ 1,258,018
Cost of sales & rentals	555,039	465,473
Expenses	730,873	660,774
Interest expense	22,873	18,592
Interest income	(7,783)	(7,164)
Income before taxes	$ 113,404	$ 120,343
Income taxes	56,128	56,435
Minority interest	(12,259)	(8,178)
Net Income	$ 69,535	$ 72,086

* Included in Costs and Expenses, Depreciation and Amortization: $66,670,000 in 1981 and $59,763,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 9,584	$ 19,130
Marketable securities	69,640	39,185
Accts. receiv., net	220,211	204,137
Receivables, net	26,747	20,596
*Inventories	278,232	296,334
Other curr. assets	9,474	10,109
Current Assets	$ 613,888	$ 589,491
#Fixed assets	201,120	178,267
Rental equip.	158,869	140,457
Prop. leased under cap. leases	31,328	30,963
Equity in & advances to subsid.	83,880	55,106
Other assets	49,467	20,487
Goodwill	76,170	80,767
Total Assets	$ 1,214,722	$ 1,095,538

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 30,117	$ 81,152
Accts. payable & accruals	209,662	173,873
Advance billings	150,783	126,510
Income taxes	32,696	32,981
Curr. Liabilities	$ 423,258	$ 414,516
Long-term debt	113,587	99,880
Cap. lease oblig.	46,340	45,895
Deferred inc. taxes	128,078	96,292
+ Preferred stock	2,061	2,908
+ + Preference stock	76,823	76,232
+ + + Common stock	32,405	29,675
Add. paid-in capital	113,445	80,109
Retained earnings	285,741	247,033
Def. trans. gain (loss)	(7,016)	2,988
Total Liabilities & Shareholders' Equity	$ 1,214,722	$ 1,095,538

‡ Restated.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $50 par value.
+ + No par value. $2.12 convertible.
+ + + $2 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.02	9.57
%Net Income to Revenues	4.92	5.73
%Net Income to Equity	13.81	16.42
Working Capital	$190,630,000	$174,975,000
Current Ratio	1.45	1.42
Shareholders' Equity	$503,459,000	$438,955,000

Plantronics, Inc.

1762 Technology Drive
Suite 225
San Jose, California 95110
(408) 998-8388

Officers: Neil J. Hynes, president & chief executive officer; David G. Campbell, v.p.-finance & secretary; David R. Bartlett, v.p.-personnel; John Tymoczko, Jr., v.p.-strategic planning; Peter C. Jensen, treasurer; Donald M. Maziasz, corp. staff counsel & asst. corp. controller; Charles C. Pai, controller.

Directors: George M. Dean, Alan B. Simpkins, Trude C. Taylor, R. Parker Sullivan, Robert T. Davis, Weldon B. Gibson, Stanley F. Damkroger, William H. Draper, III, Clifford A. Warren, William L. Martin.

Areas of Work: Manufactures lightweight telecommunications headsets, computer controlled data switching systems, telephone transmission products, visual data terminals and data communications products.

Subsidiaries:

Frederick Electronics Corporation
P.O. Box 502
Hayward Road
Frederick, Maryland 21701
(301) 662-5901
Produces solid data switching systems and data communications equipment.

Kentrox Industries, Inc.
14375 N.W. Science Park Drive
Portland, Oregon 97229
(503) 643-1681
Develops and manufactures telephone signal conditioning equipment.

Zehntel, Inc.
2625 Shadelands Drive
Walnut Creek, California 94598
(415) 932-6900
Manufacturer of automated test equipment.

Plantronics/Santa Cruz
345 Encinal Street
Santa Cruz, California 95060
(408) 426-5858

Plantronics Research Corporation
16611 Roscoe Place
Sepulveda, California 91343
(213) 891-1851

Wilcom Products, Inc.
Rt. 3, Daniel Webster Highway
P.O. Box 508
Laconia, New Hampshire 03246
(603) 524-2622
Telephone test and measurement equipment.

Transfer Agent(s):

First Interstate Bank
405 Montgomery Street
San Francisco, California 94104

Stock Exchange(s): New York, Pacific

Ticker Symbol: PLX

Number of Employees:

1981	1,592	1978	1,239
1980	1,772	1977	1,205
1979	1,709		

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 95,459,000	$ 11,956,000
1980	84,123,000	8,010,000
1979*	77,286,000	8,731,000
1978	58,266,000	7,895,000
1977	49,930,000	6,020,000

	No. of Com. Shares #	Earn. per Share #‡
1981	6,448,000	$ 1.86
1980	6,373,000	1.26
1979	6,296,000	1.39
1978	6,171,000	1.28
1977	6,124,000	0.98

* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary loss of $816,000 ($0.13 per share) in 1981.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.16	—	—
1980	0.16	—	—
1979	0.13	—	—
1978	0.10	—	—
1977	0.07	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 67,258,000	$ 10.38
1980	54,003,000	8.49
1979	45,612,000	7.41
1978	35,358,000	5.99
1977	27,356,000	4.70

† Adjusted to reflect stock split.

Income Account *

Year ended	5/30/81	5/31/80
Net sales	$ 95,459,000	$ 84,123,000
Cost of sales	49,435,000	42,995,000
Expenses	30,386,000	25,279,000
Interest expense (income)	(386,000)	243,000
Income before taxes	$ 16,024,000	$ 15,606,000
Income taxes	7,667,000	7,397,000
Income-cont. oper.	$ 8,357,000	$ 8,209,000
Income (loss)-discont. oper.	4,415,000	(199,000)
Net Income	$ 12,772,000	$ 8,010,000
Extraord. loss	(816,000)	—
Net Income & Extraord. Loss	$ 11,956,000	$ 8,010,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,177,000 in 1981 and $1,746,000 in 1980.

Assets

As of	5/30/81	5/31/80
Cash	$ 533,000	$ 1,109,000
Marketable securities	20,972,000	4,392,000
Accts. receiv., net	21,343,000	21,744,00
*Inventories	23,385,000	28,629,00
Prepaid expenses	1,135,000	2,189,000

Current Assets	$ 67,368,000	$ 58,063,000
#Fixed assets	26,205,000	22,485,000
Notes receiv. & other assets	3,897,000	4,214,000
Total Assets	$ 97,470,000	$ 84,762,000

Liabilities

Accts. payable	$ 4,297,000	$ 5,262,000
Long-term debt, curr.	635,000	418,000
Accruals	2,531,000	2,298,000
Accrued payroll	4,369,000	5,029,000
Customer deposits	203,000	1,862,000
Income taxes	1,350,000	1,217,000
Curr. Liabilities	$ 13,385,000	$ 16,086,000
Long-term debt	12,873,000	12,277,000
Deferred inc. taxes	3,954,000	2,396,000
+Common stock	10,560,000	8,234,000
Retained earnings	56,698,000	45,769,000
Total Liabilities & Shareholders' Equity	$ 97,470,000	$ 84,762,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	18.99	14.83
Sales to Inventories	4.08	2.94
Working Capital	$53,983,000	$41,977,000
Current Ratio	5.03	3.61
Shareholders' Equity	$67,258,000	$54,003,000

Platronics, Inc.

301 Commerce Road
Linden, New Jersey 07036
(201) 862-3600

Officers: Milton Fisher, chairman of the board & v.p.-finance; John R. Palumbo, Sr., president: John R. Palumbo, Jr., v.p.-operations; Jeffrey J. Palumbo, secretary; Anthony J. Palumbo, III, v.p.-administration & treasurer; Milton H. Stern, asst. secretary.

Directors: John R. Palumbo, Sr., John R. Palumbo, Jr., Gregory S. Cori, Milton H. Stern,Milton Fisher.

Areas of Work: Engaged in precious metals plating for the electronics industry.

Transfer Agent(s):

First Jersey National Bank
Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 70

Plant Footage:

1981 . . . . . . 42,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 9,151,536	$ 58,958
1980	11,604,179	391,506
1979	7,326,659	291,361
1978	5,101,686	180,560
1977	3,715,167	(270,545)

	No. of Com. Shares ‡	Earn. per Share ‡
1981	917,034	$ 0.06
1980	982,314	0.40
1979	1,096,054	0.27
1978	1,096,794	0.16
1977	1,097,796	—

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,082,961	$ 2.27
1980	2,110,699	2.14
1979	1,741,943	1.59
1978	1,540,582	1.40
1977	1,360,022	1.24

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account

Year ended Sept. 30	1981	1980
Net sales	$ 9,151,536	$ 11,604,179
Cost of sales	8,307,197	9,898,984
Expenses	562,639	692,500
Depreciation & amortization	203,357	183,595
Interest expense	38,949	41,946
Loss (gain) on disposal of equip.	1,221	8,811
Income bef. taxes	$ 38,173	$ 778,343
Income taxes (credit)	(20,785)	386,837
Net Income	$ 58,958	$ 391,506

Assets

As of Sept. 30	1981	1980
Cash	$ 85,893	$ 169,733
Receivables, net	707,539	1,542,521
Refundable income taxes	220,135	—
*Inventories	574,319	660,270
Prepaid expenses	25,548	9,386
Current Assets	$ 1,613,434	$ 2,381,910
#Fixed assets	677,257	732,910
Other assets	208,438	165,580
Total Assets	$ 2,499,129	$ 3,280,400

Liabilities

Long-term debt, curr.	$ 78,157	$ 105,909
Accts. payable	192,559	552,068
Accruals	18,584	306,699
Curr. Liabilities	$ 289,300	$ 964,676
Long-term debt	126,868	205,025
+ Common stock	91,274	54,840
Add. paid-in capital	6,156	6,156
Retained earnings	1,985,531	2,162,453
Treasury stock	—	(112,750)
Total Liabilities & Shareholders' Equity	$ 2,499,129	$ 3,280,400

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	0.42	6.71
%Net Income to Sales	0.64	3.37
%Net Income to Equity	2.83	18.55
Sales to Inventories	15.93	17.57
Working Capital	$1,324,134	$1,417,234
Current Ratio	5.58	2.47
Shareholders' Equity	$2,082,961	$2,110,699

Pneumo Corporation

4800 Prudential Tower
Boston, Massachusetts 02199
(617) 262-9300

Officers: Gerard A. Fulham, chairman of the board & chief executive officer; James A. Wood, president; C.L. Pecchenino, exec. v.p.; Robert H. Goldsmith, sr. v.p.-Aerospace and Industrial Group; Gerald G. Auerbach, sr. v.p.-manufacturing; Lloyd E. Brumley, v.p. & controller; W. Lee Hawker, v.p.-financial planning; Robert T. Hicks, v.p. & treasurer; Joseph R. McCabe, v.p.-employee relations; David J. Ruggles, v.p. & chief financial officer; Irwin A. Schwartz, v.p.-Food Group; William J. Vesely, v.p., general counsel & secretary; Robert H. Wehrenberg, v.p., aerospace mktng. & gov't. relations.

Directors: John L. Arnold*, Gerard A. Fulham*, Richard G. Maloney, Owen F. Walker*, James A. Wood*, Wendell G. Earle, Secor D. Browne, Harold S. Geneen, C.L. Pecchenino, John C. Harding, III.

*Member of Executive Committee.

Areas of Work: The company designs and manufactures hydraulic, pneumatic, mechanical, electro-mechanical and electronic precision systems and components for aerospace ordnance, marine and industrial uses. Owns and operates a chain of supermarkets and franchise stores in New York State, Massachusetts, Vermont and New Hampshire; conducts a wholesale food business.

Divisions and Subsidiaries:

National Water Lift Division
2220 Palmer Avenue
Kalamazoo, Michigan 49001
(616) 345-8641

Designs and manufactures hydraulic, pneumatic, mechanical and electro-mechanical primary flight control systems for aircraft and missles and jet engine controls.

Claud S. Gordon Company
5710 Kenosha Street
Richmond, Illinois 60071
(815) 678-2211

Manufactures and distributes thermo-electric heat-sensing elements, thermocouple instruments, extension wire and accessories; resistance temperature detection sensors.

Cleveland Pneumatic Company
3781 East 77th Street
Cleveland, Ohio 44105
(216) 341-1700

Manufactures aircraft landing gears; functional and structural components for aerospace, missile, and marine applications.

P & C Food Markets, Inc.
P.O. Box 4965
Syracuse, New York 13221
(315) 457-9460

Owns and operates 91 P & C Supermarkets in New York State, Vermont, New Hampshire and Massachusetts, services a chain of 60 franchise supermarkets in New York and operates a wholesale food service in independent stores, restaurants and institutions in more than 100 New York State communities. Two distribution centers,one located in Syracuse, another at White River Junction, Vermont, service company-owned markets.

Carls Drug Company, Inc.
Success Drive
R.F.D. # 6, Box 203
Rome, New York 13440

Transfer Agent(s):

AmeriTrust Company
900 Euclid Avenue
Cleveland, Ohio 44101

Stock Exchange(s): New York

Ticker Symbol: PNC

Number of Employees:

1981	9,254	1978	6,949
1980	9,235	1977	6,432
1979	8,103		

Sales and Earnings

	Net Sales †	Net Income
1981	$1,093,611,000	$ 18,027,000
1980	983,777,000	13,532,000
1979	771,946,000	10,035,000
1978	612,705,000	6,599,000
1977	558,502,000	9,069,000

	No. of Com. Shares +	Earn. per Share #
1981	4,666,086	$ 3.81
1980	4,646,770	2.90
1979	4,351,652	2.22
1978	4,293,893	1.50
1977	4,021,886	2.18

† Of continuing operations only; includes other income.
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

Food/drug	$ 774,714	$ 683,563
Aerospace/industrial	318,897	300,214
Total	$ 1,093,611	$ 983,777

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.80	—	—
1980	0.70	—	3-for-2
1979	0.67	—	—
1978	0.67	—	—
1977	0.67	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 103,208,000	$ 22.12
1980	88,596,000	19.07
1979	74,376,000‡	17.09
1978	66,417,000‡	15.47
1977	57,939,000‡	14.41

† Adjusted to reflect stock split.
‡ After allowing for preferred stock $1 Series A and $4 Series B at redemption values of $25 and $100 per share respectively.

Income Account *
(000's)

Year ended Nov. 30	1981	1980
Net sales	$ 1,093,611	$ 983,777
Cost of sales	875,727	794,191
Expenses	170,505	152,323
Interest expense	14,122	14,141
Income before taxes	$ 33,257	$ 23,122
Income taxes	15,230	9,590
Net Income	$ 18,027	$ 13,532

* Included in Costs and Expenses, Depreciation and Amortization: $12,438,000 in 1981 and $11,096,000 in 1980.

Assets
(000's)

As of Nov. 30	1981	1980
Cash	$ 7,542	$ 11,063
Short-term invest.	10,000	3,000
Accts. receiv., net	63,836	62,861
*Inventories	156,230	153,904
Prepaid expenses	1,847	1,846
Current Assets	$ 239,455	$ 232,674
#Fixed assets	119,433	103,968
Other assets	11,828	11,413
Total Assets	$ 370,716	$ 348,055

Liabilities
(000's)

Notes payable	$ 5,000	$ 21,752
Long-term debt, curr.	6,271	5,454
Accts. payable	54,106	53,254
Accruals	44,251	39,177
Income taxes	101	138
Deferred inc. taxes	37,445	12,704
Curr. Liabilities	$ 147,174	$ 132,479
Long-term debt	86,359	89,097
Cap. lease oblig.	22,603	24,681
Deferred inc. taxes	7,915	10,535
Other liabilities	3,457	2,667
+Common stock	4,697	4,687
Add. paid-in capital	18,234	17,972
Retained earnings	80,432	66,136
Treasury stock	(155)	(199)
Total Liabilities & Shareholders' Equity	$ 370,716	$ 348,055

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.04	2.35
%Net Income to Sales	1.65	1.38
%Net Income to Equity	17.47	15.27
Sales to Inventories	7.00	6.39
Working Capital	$ 92,281,000	$100,195,000
Current Ratio	1.63	1.76
Shareholders' Equity	$103,208,000	$ 88,596,000

Porta Systems Corp.

575 Underhill Boulevard
Syosset, New York 11791
(516) 364-9300

Officers: Paul V. DeLuca, chairman of the board; Vincent F. Santulli, president; William V. Carney, sr. v.p.-operations & secretary; Ronald G. Caravello, sr. v.p.-sales staff; Michael A. Tancredi, v.p. & treasurer; C. David Broedecker, v.p.-sales/marketing; John Gazzo, v.p.-enginering; Shamir Ally, controller.

Directors: Paul V. DeLuca, chairman; Vincent F. Santulli, William V. Carne, F. Mark Barlinghouse, Ronald G. Caravello, Michael A. Tancredi, Paul Kelly, Thomas Connors.

Areas of Work: Designs and manufacturers equipment for the telephone industry. Products include cutover products which transfer telephone service from one system to a more modern, generally electronic system; connector blocks connect outside lines to central office telephone equipment; cable pair verifiers test groups of lines; private line testers and line condition report systems for automatic reading and reporting of electric and gas home meters.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: PSI

Sales and Earnings

	Net Sales	Net Income
1981	$ 19,096,695	$ 1,973,096
1980	15,122,551	605,791
1979	12,746,866	764,665
1978	15,082,505	1,747,078
1977	1,610,029	840,334

	No. of Com. Shares #	Earn. per Share #
1981	2,723,155	$ 0.73
1980	2,697,855	0.23
1979	2,662,955	0.29
1978	2,658,955	0.76

Based on weighted average number of common shares and common share equivalents outstanding. Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 13,876,220	$ 5.10
1980	11,796,999	4.37
1979	11,175,708	4.20
1978	10,404,793	3.91

‡ Based on weighted number of common shares and common share equivalents outstanding. Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 19,096,695	$ 15,122,551
Cost of sales	10,852,579	9,246,365
Expenses	6,827,644	5,572,090
Interest income	288,040	170,982
Income before taxes	$ 1,704,512	$ 475,078
Income tax benefits	(268,584)	(130,713)
Net Income	$ 1,973,096	$ 605,791

* Included in Costs and Expenses, Depreciation and Amortization: $303,054 in 1981 and $257,821 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,865,268	$ 1,560,729
Accts. receiv., net	4,797,782	5,673,975
*Inventories	7,983,385	6,436,986
Prepaid expenses & other assets	245,275	67,625
Current Assets	$ 15,891,710	$ 13,739,315
#Fixed assets	1,778,624	1,522,702
Intangibles	40,914	35,397
Defer. charges	76,386	98,168
Total Assets	$ 17,787,634	$ 15,395,582

Liabilities

Mortg. payable	$ —	$ 38,707
Accts. payable	2,583,353	2,116,402
Accruals	807,678	627,352
Cust. credits	520,383	596,911
Curr. Liabilities	$ 3,911,414	$ 3,379,372
Mortg. payable	—	15,070
Deferred inc. taxes	—	204,141
+Common stock	27,252	26,980
Add. paid-in capital	7,256,846	7,149,143
Retained earnings	6,594,172	4,621,076
Treasury stock	(2,050)	(200)
Total Liabilities & Shareholders' Equity	$ 17,787,634	$ 15,395,582

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.93	3.14
%Net Income to Sales	10.33	4.01
%Net Income to Equity	14.22	5.14
Sales to Inventories	2.39	2.35
Working Capital	$11,980,296	$ 1,359,943
Current Ratio	4.06	4.07
Shareholders' Equity	$13,876,220	$11,796,999

Powell Industries, Inc.

P.O. Box 12818
8550 Mosley Drive
Houston, Texas 77217
(713) 944-6900

Officers: William E. Powell, chairman of the board, president, & chief executive officer; A.L. Chamberlin, exec. v.p.; Robert H. Orr, v.p., secretary & treasurer; W.J. Kaczor, Jr., controller & asst. secretary-treasurer.

Directors: William E. Powell, chairman; Robert H. Orr, Addison W. Langill, Worthington W. Green, Nathaniel H. Condor, A.L. Chamberlin, Jesse R. Milam, Jr., Elbert D. Stewart.

Areas of Work: Designs, manufactures, and markets electrical power distribution and control systems, pre-packaged electrical and instrumentation control room buildings, patented and proprietary electronic and computerized process control products and systems and digital control valves.

Divisions and Subsidiaries:

Powell Electrical Manufacturing Company
P.O. Box 12818
8550 Mosley Drive
Houston, Texas 77217
(713) 944-6900

Process Systems, Inc.
Houston Operation
P.O. Box 12848
8540 Mosley Drive
Houston, Texas 77217
(713) 947-9470

Process Systems, Inc.
Costa Mesa Operation
225 Paularino Avenue
Costa Mesa, California 92626
(714) 556-4500

Powell Magnetics Industries, Inc.
P.O. Box 12848
8540 Mosley Drive
Houston, Texas 77217
(713) 947-9470

Process Investment Company
P.O. Box 12818
Houston, Texas 77217

Powell International Corporation
P.O. Box 12818
Houston, Texas 77217

Powell-Varco Systems, Inc.
P.O. Box 12848
Houston, Texas 77217

Acquisition(s):

Varco, Inc.
Houston, Texas

Manufactures electronic analog process control instrumentation, principally for the utility, industrial boiler control and energy management markets.

Transfer Agent(s):

First International Bank of Houston
Trust Department
P.O. Box 2555
Houston, Texas 77001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: POWL (NASDAQ)

Sales and Earnings †

	Net Sales +	Net Income
1981	$ 56,643,563	$ 2,653,684
1980	48,340,160	3,280,046
1979	38,663,643	1,434,516
1978	30,428,319	509,143
1977	26,382,422	1,782,228

	No. of Com. Shares ‡	Earn. per Share ‡
1981	10,203,518	$ 0.26
1980	10,200,482	0.32
1979	10,198,098	0.14
1978	10,190,482	0.05

† Restated to include operations of companies acquired on a pooling of interests basis.
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Electronics distribution equipment	$ 45,319	$ 37,419
Process control indust.	11,239	10,921
Total	$ 56,558	$ 48,340

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 19,212,902	$ 1.88
1980	16,553,218	1.62
1979	13,272,072	1.30
1978	11,689,849	1.15

† Restated.
‡ Based on the average number of shares outstanding.

Income Account

Year ended Oct. 31	1981	1980 ‡
Net sales	$ 56,643,563	$ 48,340,160
Cost of sales	39,375,320	31,795,484
Expenses	8,309,380	6,931,863
Depreciation & amortization	1,046,301	993,741
Interest expense	1,569,600	1,133,461
Res. & develop.	1,616,278	825,496
Income before taxes	$ 4,726,684	$ 6,660,115
Income taxes	2,073,000	3,013,000
Inc. from cont. oper.	$ 2,653,684	$ 3,647,115
Loss from discont. oper.	—	367,069
Net Income	$ 2,653,684	$ 3,280,046

‡ Restated.

Assets

As of Oct. 31	1981	1980
Cash	$ 11,505	$ 24,807
Accts. receiv., net	14,687,823	12,067,258
*Inventories	12,828,510	13,077,916
Prepaid expenses	917,094	339,114
Assets held for sale	—	1,500,000
Current Assets	$ 28,444,932	$ 27,009,095
#Fixed assets	7,872,921	6,951,894
Other assets	865,905	1,337,750
Total Assets	$ 37,183,758	$ 35,298,739

Liabilities

	1981	1980
Notes payable	$ 205,000	$ 6,831,116
Long-term debt, curr.	223,689	627,427
Accts. payable	3,693,323	3,506,068
Accruals	1,304,512	1,146,154
Accrued payroll	1,789,624	1,874,722
Income taxes	1,557,751	2,275,381
Curr. Liabilities	$ 8,773,899	$ 16,260,868
Long-term debt	7,717,457	1,122,253
Deferred inc. taxes	1,099,000	686,900
Deferred comp.	380,500	665,500
+Common stock	102,045	102,005
Add. paid-in capital	2,829,569	2,823,609
Retained earnings	16,281,288	13,627,604
Total Liabilities & Shareholders' Equity	$ 37,183,758	$ 35,298,739

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	8.34	—
%Net Income to Sales	4.68	—
%Net Income to Equity	13.81	19.82
Working Capital	$19,671,033	$10,748,227
Current Ratio	3.24	1.66
Shareholders' Equity	$19,212,902	$16,553,218

Pratt-Read Corporation

Ivoryton, Connecticut 06442
(203) 767-8282

Officers: Peter H. Comstock, chairman of the board & chief exec. officer; James H. Tucker, president; Charles A. Ruhe, secretary & treasurer; Gerald B. LeVasseur, controller; Harwood B. Comstock, v.p.

Directors: Peter H. Comstock, chairman; John H. Bloodgood, James E. Chandler, James M. Carlisle, Stuart C. Hemingway, Jr., Robert E. McGill III, Henry Z. Steinway, Wilmot F. Wheeler, Jr., James H. Tucker.

Divisions and Subsidiaries:

The Bristol Saybrook Company
Old Saybrook, Connecticut 06475
(203) 388-3414

Synchronous motors for timing devices, such as chart drives, time recording equipment, humidifiers and ice makers; elapsed time, fixed interval, time delay and repeat cycle timers; programmers; coded signal receivers; corrective clock movements for master systems.

Allen-Rogers Corporation
Laconia, New Hampshire 03246
(603) 524-2060

Turned and shaped wood products for household appliances, toys and games, furniture, sporting goods, small tools, brushes and utensils.

Altron, Inc.
Westerly, Rhode Island 02891
(401) 596-4309

Bobbin-wound and multiple-wound coils for motors, relays and solenoid valves; transformers and chokes for the communications field.

The Cornwall & Patterson Company
Bridgeport, Connecticut 06605
(203) 366-4911

Piano hardware for actions and cases; screwdriver blades, awls, chisels, tack pullers, power bits and wire forms; pins, paper fasteners and metal stampings.

Pratt, Read & Co.
Ivoryton, Connecticut 06442
(203) 767-8282

Piano keyboards and actions; plastic and metal keyboard assemblies, printed circuits and switching devices for electronic organs. Squares and dowels for turned wood products.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: PRA

Number of Employees:

1981	1,400	1978	1,542
1980	1,305	1977	1,622
1979	1,515		

Plant Footage:

1981	715,000 sq. ft.	1978	715,000
1980	715,000	1977	715,000
1979	715,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 37,825,000	$ 1,178,000
1980	36,732,000	1,471,000
1979	38,161,000	1,275,000
1978	33,736,000	1,352,000
1977	33,348,000	1,776,000

	No. of Com. Shares	Earn. per Share †
1981	1,543,873	$ 0.65
1980	1,547,873	0.84
1979	1,547,873	0.71
1978	1,547,873	0.76
1977	1,547,873	1.04

+ Of continuing operations only.
† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Wood products	$23,400	60%	$22,600	60%
Metal shaping	9,400	24	9,100	24
Electrochemical items	6,000	16	6,200	16
Intercompany sales	(1,000)	—	(1,200)	—
Total	$37,800	100%	$36,700	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.30	—	—
1980	0.30	—	—
1979	0.30	—	—
1978	0.30	—	—
1977	0.30	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 14,182,284	$ 9.19
1980	13,663,102	8.83
1979	12,827,608	8.29
1978	12,188,101	7.87
1977	11,471,815	7.41

‡ After allowing for preferred stock at stated value of $12 per share.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 37,824,868	$ 36,732,358
Cost of sales	32,874,735	31,455,759
Expenses	2,795,753	2,584,104
Interest expense	95,368	281,772
Other charges	28,857	105,521
Income before taxes	$ 2,030,155	$ 2,305,202
Income taxes	893,601	956,387
Income from cont. oper.	$ 1,136,554	$ 1,348,815
Income from discont. oper.	41,693	122,430
Net Income	$ 1,178,247	$ 1,471,245

* Included in costs and Expenses, Depreciation and Amortization: $947,323 in 1981 and $944,518 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 74,827	$ 296,972
Accts. & notes receiv., net	4,888,740	3,467,460
*Inventories	9,313,479	9,984,601
Prepaid expenses	300,131	347,328
Current Assets	$ 14,577,177	$ 14,096,361
#Fixed assets	6,057,041	6,186,465
Other assets & defer. charges	181,530	122,131
Total Assets	$ 20,815,748	$ 20,404,957

Liabilities

	1981	1980
Notes payable	$ 300,000	$ 1,000,000
Accts. payable	1,251,857	917,322
Accrued payroll	490,519	331,226
Dividends payable	158,638	158,939
Income taxes	193,933	161,797
Other liabilities	515,254	494,131
Curr. Liabilities	$ 2,910,201	$ 3,063,415
Deferred compensation	278,268	282,386
Deferred income tax	223,019	174,078
+ Preferred stock	3,221,976	3,221,976
+ + Common stock	2,333,413	2,333,413
Add. paid-in capital	619,500	619,500
Retained earnings	11,355,747	10,812,565
Treasury stock	(126,376)	(102,376)
Total Liabilities & Shareholders' Equity	$ 20,815,748	$ 20,404,957

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $12 stated value, Series A, $0.66 cumulative convertible.
+ + $1.50 par value.

Statistical Summary

%Net Income to Equity	6.77	8.71
Sales to Inventories	4.06	3.68
Working Capital	$11,666,976	$11,032,946
Current Ratio	5.01	4.60
Shareholders' Equity	$17,404,260	$16,885,078

Premier Industrial Corporation

4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300

Officers: Morton L. Mandel, chairman of the board; Jack N. Mandel, finance committee chairman; Joseph C. Mandel, executive committee chairman, Robert Warren, president; William M. Hamilton, Stewart W. Damon, William A. Stenzel, sr. v.p.'s; Philip S. Sims, sr. v.p. & treasurer; Grant C. Grinnell, v.p. & secretary; Herbert G. Blumerg, J. Robert McCabe, Louis H. Prescott, Denis M. Bohm, Bruce W. Johnson, vice presidents; Phillip VanderPol, v.p. & controller.

Directors: John C. Colman, John A. Gelbach, Jack N. Mandel, Joseph C. Mandel, Morton L. Mandel, Hugh Calkins, Harvey Mahlig, Robert Warren, Charles E. Spahr.

Divisions and Subsidiaries:

Electronic and Electrical Components Group

Newark Electronics
500 North Pulaski Street
Chicago, Illinois 60624
(312) 638-4411
Electronic components and equipment including semiconductors, integrated circuits, switches, relays, test and sound equipment, capacitors, resistors and connectors.

Cadillac Electric Supply
20700 Hubbell Avenue
Oak Park, Michigan 48237
(313) 548-2050
Electrical items including wire and cable, roughing-in materials, motor controls, distribution equipment, lamps, fuses, wiring devices and other electrical maintenance products.

Industrial Maintenance Products Group

Brooks Technology Co.
3304 East 87th Street
Cleveland, Ohio 44127
(216) 641-5100
Industrial and specialty greases, open gear lubricants, gear oils, corrosion preventives, cutting and grinding fluids, wire rope lubricants, roll oils, and drawing and forging compounds.

C-T Engineering Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Heavy-duty fasteners, special hardware and parts for construction transportation equipment.

Certanium Alloys and Research Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Special welding electrodes, brazing alloys, fluxes, solders, and welding aids.

Premier Fastener Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
High performance cap screws, nuts, washers, screws, specialty fasteners and industrial shop supplies.

Premier Autoware Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Replacement parts for cars and trucks, including special hardware and shop supplies.

J.I. Holcomb Manufacturing Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Cleaners, disinfectants, degreasers and protective coatings for industrial, commercial, and institutional applications. Insecticides, floor conditioners and floor maintenance products.

Kent Industries
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Adhesives, cements, sealants, caulks, cleaners and related application equipment for the automotive and marine industries.

Rotanium Products Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Electrical systems components and other specialty products such as industrial lamps, terminals, connectors, fittings, clamps and building hardware.

Trexon Products Co.
4415 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-0067
Extra heavy-duty electrical cord, cable and associated devices.

D-A Lubricant Company, Inc.
1340 West 29th Street
Indianapolis, Indiana 46208
(317) 923-5321
Engine oils and greases for heavy-duty diesel driven equipment.

Maintenance, Inc.
1051 Liberty Street
Wooster, Ohio 44691
(216) 264-6262
Coatings to protect and color off-street asphalt and concrete pavements and recreational areas.

Fire Fighting Group

Akron Brass Co.
Spruce Street
P.O. Box 86
Wooster, Ohio 44691
(216) 264-5100
Fire-fighting components including nozzles, hose couplings, valves and specialized fire-fighting equipment.

Western Fire Equipment Co.
440 Valley Drive
Brisbane, California 94005
(415) 467-5650
Forestry, municipal and industrial fire-fighting equipment, including portable tanker units, protective clothing and specialized fire-fighting tools.

Acquisition(s):

Car-Lac Electronics
75 Orville Drive
Bohemia, New York
Distributes products nationwide for original equipment and maintenance applications.

Transfer Agent(s):

AmeriTrust Company
East 9th Street & Euclid
Cleveland, Ohio 44101

Stock Exchange(s): New York

Ticker Symbol: PRE

Number of Employees:

1980	3,500	1977	2,470
1979	3,300	1976	2,400
1978	2,470		

Plant Footage:

1980 . . . . . . 1,485,244 sq. ft. 1977 1,329,107
1979 . . . . . . 1,373,307 1976 1,610,761
1978 1,329,107

Sales and Earnings

	Oper. Revenues	Net Income
1981	$ 317,470,000	$ 32,446,000
1980	317,738,904	31,347,816
1979	257,960,600	21,501,953
1978	210,643,376	15,882,022
1977	177,406,053	13,592,643

	No. of Com. Shares ‡	Earn. per Share ‡
1981	20,864,850	$ 1.56
1980	20,922,748	1.50
1979	21,089,734	1.02
1978	21,694,264	0.73
1977	24,032,176	0.57

‡ Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Industrial maintenace	$ 145,651,000	$ 156,219,000
Fire-fighting products	25,629,000	24,753,000
Electronic & electrical components	146,190,000	136,767,000
Total	$ 317,470,000	$ 317,739,000

Common Stock

	Cash Divident +	Stock Dividend	Stock Split
1981	$0.340	—	2-for-1
1980	0.256	—	3-for-2
1979	0.205	—	—
1978	0.175	—	—
1977	0.146	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 138,586,000	$ 6.64
1980	114,049,508	5.45
1979	91,236,918	4.33
1978	75,530,813	3.48
1977	56,077,634‡	2.33

+ Based on average number of common shares and common share equivalents outstanding adjusted to reflct stock splits.
‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended May 31	1981	1980
Oper. revenues	$ 317,470,000	$ 317,738,904
Other income	3,979,000	1,336,843
Revenues	$ 321,449,000	$ 319,075,747
Cost of sales	171,785,000	174,163,011
Expenses	84,541,000	82,075,945
Income taxes	3,878,000	3,563,000
Depreciation & amortization	3,301,000	3,154,052
Interest expense	211,000	683,923
Income before taxes	$ 57,733,000	$ 55,435,816
Income taxes	25,287,000	24,088,000
Net Income	$ 32,446,000	$ 31,347,816

Assets

As of May 31	1981	1980
Cash	$ 30,905,000	$ 7,854,892
Receiv., net	53,340,000	53,285,561
*Inventories	39,700,000	47,306,687
Prepaid expenses	1,285,000	1,351,366
Current Assets	$ 125,230,000	$ 109,798,506
#Fixed assets	23,057,000	23,358,521
Other assets	19,675,000	15,538,247
Total Assets	$ 167,962,000	$ 148,695,274

Liabilities

Long-term debt, curr.	$ 411,000	$ 4,477,369
Payables	10,060,000	13,594,616
Accruals	10,926,000	9,494,305
Income taxes	3,148,000	3,993,476
Curr. Liabilities	$ 24,545,000	$ 31,559,766
Deferred inc. taxes	4,599,000	2,813,000
Long-term debt	232,000	273,000
+Common stock	21,176,000	10,588,011
Add. paid-in capital	220,000	—
Retained earnings	123,182,000	108,373,938
Treasury stock	(5,992,000)	(4,912,441)
Total Liabilities & Shareholders' Equity	$ 167,962,000	$ 148,695,2[illegible]

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	18.19	17.45
%Net Income to Revenues	10.22	9.87
%Net Income to Equity	23.41	27.49
Working Capital	$100,685,000	$ 78,238,740
Current Ratio	5.10	3.48
Shareholders' Equity	$138,586,000	$114,049,508

Premier Microwave Corporation

33 New Broad Street
Port Chester, New York 10573
(914) 939-8900

Officers: Leonard Kardon, president and chairman of the board; Irving M. Gross, vice president and treasurer; Frances Gross, secretary.

Directors: Leonard Kardon, chairman; Irving M. Gross, Bessie Hamers, Jerome L. Greene, David H. Cogan, Sam Hamers, Frances Gross, Nancy K. Rosenberg.

Areas of Work: The Company designs, manufactures and sells microwave components. Products include coaxial and waveguide components and printed circuit analogs of these components.

Transfer Agent(s):

Registrar and Transfer Company
140 Cedar Street
New York, New York 10006

Stock Exchange(s): Over-the-counter

Number of Employees:

1981 . . . . . . 61 1978 48
1980 . . . . . . 49 1977 37
1979 49

Plant Footage:

1981 . . . . . . 15,000 sq. ft. 1978 15,000
1980 . . . . . . 15,000 1977 15,000
1979 15,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 4,394,300	$ 338,000
1980	3,807,900	359,500
1979	3,783,000	248,800
1978	2,928,400	304,700
1977	1,740,400	90,000

	No. of Com. Shares	Earn per Share #
1981	240,756	$ 1.40
1980	240,756	1.49
1979	240,756	1.03
1978	240,756	1.26
1977	241,235	0.37

# Based on weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.50	—	—
1980	0.30	—	—
1979	0.50	—	—
1978	0.20	—	—
1977	0.03	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,198,800	$ 9.13
1980	1,981,200	8.23
1979	1,693,900	7.04
1978	1,565,500	6.50
1977	1,310,600	5.43

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 4,394,300	$ 3,807,900
Other income	24,800	168,400
Total income	$ 4,419,100	$ 3,976,300
Cost of sales	3,009,500	2,591,900
Expenses	717,200	761,400
Depreciation & amortization	86,600	56,300
Interest expense	18,100	100
Income before taxes	$ 587,700	$ 566,600
Income taxes	249,700	207,100
Net Income	$ 338,000	$ 359,500

Assets

As of Nov. 30	1981	1980
Cash & cert. of dep.	$ 192,100	$ 46,400
Certificates of deposit	201,300	—
Marketable securities	102,800	630,100
Accts. receiv., net	735,000	630,300
*Inventories	747,500	841,700
Prepaid expenses	14,400	17,900
Current assets	$ 1,991,800	$ 2,166,400
#Fixed assets	554,100	449,300
Other assets	8,200	100
Total Assets	$ 2,554,100	$ 2,615,800

Liabilities

Notes payable	$ —	$ 150,000
Accts. payable & accruals	207,300	207,900
Accrued payroll	98,800	161,700
Income taxes	49,200	114,000
Current Liabilities	$ 355,300	$ 634,600
+Common stock	264,500	264,500
Add. paid-in capital	377,700	377,700
Retained earnings	1,614,200	1,396,600
Treasury stock	(57,600)	(57,600)
Total Liabilities & Shareholders' Equity	$ 2,554,100	$ 2,615,800

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.37	14.88
%Net Income to Sales	7.69	9.44
%Net Income to Equity	15.37	18.15
Sales to Inventories	5.88	4.52
Working Capital	$1,636,500	$1,531,800
Current Ratio	5.61	3.41
Shareholders' Equity	$2,198,800	$1,981,200

Prestige Electronics, Inc.

(formerly Circuit Science, Inc.)

9628 6th Avenue No.
Minneapolis, Minnesota 55441
(612) 544-8655

Officers: Richard J. Borden, president; Hilding C. Nelson, executive vice president & secretary; Gary A. Grev, treasurer; Robert F. Collins, asst. secretary.

Directors: R.J. Borden, Robert F. Collins, Hilding C. Nelson.

Areas of Work: Manufactures and assembles printed and multi-layer printed circuit boards.

Divisions:

Multaplex Division
2160 Walsh Avenue
Santa Clara, California 95050
(408) 249-8980

also at:

1100 Comstock Street
Santa Clara, California 95050
(408) 249-4033

Engaged in the manufacture of multi-layer printed circuit boards.

Transfer Agent(s):

First National Bank
6th and Marquette
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	165	1977	125
1979	198	1976	145
1978	190		

Plant Footage:

1980	59,000 sq.ft.	1977	28,000
1979	59,000	1976	42,500
1978	53,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 11,452,362	$ 588,245
1980	9,072,105	245,355
1979	8,891,025	542,720
1978	7,109,723	499,528
1977	5,457,824	429,357

	No. of Com. Shares	Earn. per Share # †
1981	106,190	$ 5.54
1980	106,190	2.31
1979	106,190	5.10
1978	106,190	4.25
1977	138,774	2.18

# Based on the weighted average number of common shares and common share equivalents outstanding.

† Including extraordinary gains of $141,015 (1.33 per share) in 1980 and $227,243 (2.13 per share) in 1979.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.10	—	—
1979	0.10	—	—
1978	0.05	—	—
1977	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,633,073	$ 24.80
1980	2,055,512	19.36
1979	1,819,905	17.14
1978	1,289,717	12.15
1977	1,037,336	7.48

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 11,452,362	$ 9,072,105
Cost of sales	8,867,012	7,606,155
Expenses	1,404,299	1,221,227
Oper. income	$ 1,181,051	$ 244,723
Interest expense	169,029	172,168
Rental income	(42,000)	(43,050)
Interest & other income	24,223	41,435
Income before taxes	$ 1,078,245	$ 157,040
Income taxes	490,000	52,700
Net Income	$ 588,245	$ 104,340
Extraord. gain	—	141,015
Net Income & extraord. gain	$ 588,245	$ 245,355

* Included in Costs and Expenses, Depreciation and Amortization: $346,504 in 1981 and $285,237 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 174,009	$ 100,000
Accts. receiv., net	2,065,225	1,299,171
*Inventories	794,525	748,152
Prepaid expenses	61,067	69,618
Refundable income taxes	—	115,569
Current Assets	$ 3,094,826	$ 2,332,510
#Fixed assets	2,439,924	1,911,283
Other assets	192,934	31,763
Total Assets	$ 5,727,684	$ 4,275,556

Liabilities

Checks issued in exc. of funds	$ —	$ 160,632
Long-term debt, curr.	21,750	125,821
Accts. payable	444,942	267,832
Loan payable	458,862	26,709
Accruals	68,845	34,038
Accrued compensation	167,204	86,908
Income taxes	321,305	—
Other taxes	42,463	26,092
Curr. Liabilities	$ 1,525,371	$ 728,032
Long-term debt	1,330,040	1,276,612
Deferred in taxes	239,200	215,400
+Common stock	6,939	6,939
Retained earnings	2,869,855	2,292,294
Treasury stock	(243,721)	(243,721)
Total Liabilities & Shareholders' Equity	$ 5,727,684	$ 4,275,556

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.42	1.73
%Net Income to Sales	5.14	1.15
%Net Income to Equity	22.34	5.08
Sales to Inventories	14.41	12.13
Working Capital	$1,569,455	$1,604,478
Current Ratio	2.03	3.20
Shareholders' Equity	$2,633,073	$2,055,512

PRIME Computer, Inc.

Prime Park
Natick, MA 01760
(617) 655-8000

Officers: David J. Dunn, chairman of the board; Joe M. Henson, president & chief executive officer; Roland D. Pampel, v.p.-engineering; David Cheesman, v.p.-research & development-U.K.; Edward J. Christiansen, v.p.-software development; Ian R.G. Edmonds, v.p.-hardware development; Byron G. Gayman, v.p.-research & advanced systems; John K. Buckner, v.p.-finance, administration, planning & chief financial officer; Bernard F. Bradstreet, treasurer; David J Collard-,corp. controller; Robert P. Berkowitz, v.p.-manufacturing; Edward T. Cuddy, v.p.-production operations; Herbert A. Spivak, v.p.-corporate quality assurance; Allan N. Stevens, v.p.-materials management; Robert G. Claussen, v.p.-domestic sales; Peter Gyenes, v.p.-marketing development; John D. Ludden, v.p.-marketing services; John T. Maske, v.p-field engineering; Joseph F. Cashen, v.p.-product assurance.

Directors: David J. Dunn*, chairman, Frank P. Brunetta, John S. Dulaney*, Arthur Carr, Harold A. Strickland, Jr., Joe M. Henson*, Francis H. Zenie.

* Member of the Executive Committee.

Areas of Work: Design, manufacture, sale and service of small and medium size general purpose digital computers and interactive computer systems.

Subsidiaries:

Prime Computer (U.K.) Limited (United Kingdom)
Prime Computer GmbH (West Germany)
Prime Informatique, S.A. (France)
Prime Computer Scandinavia AB
Prime Computer International Sales Corporation

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, MA 02110

Stock Exchange(s): New York

Ticker Symbol: PRM

Number of Employees:

1981	4,639	1978	1,665
1980	4,011	1977	1,070
1979	2,570		

Plant Footage:

1981	948,000 sq.ft.	1978	479,000
1980	628,000	1977	321,000
1979	457,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 364,787,000	$ 37,678,000
1980	267,637,000	31,222,000
1979	152,943,000	16,940,000
1978	93,554,000	8,406,000
1977	50,032,000	3,926,000

	No. of Com. Shares +	Earn. per Share ‡
1981	30,057,295	$ 1.25
1980	29,283,312	1.07
1979	26,477,490	0.64
1978	25,897,680	0.32
1977	24,127,173	0.16

‡ Including extraordinary gains of $150,000 ($0.01 per share) in 1977.

+ Based on weighted average number of shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for2 & 3-for-2
1979	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 142,458,000	$ 4.74
1980	98,898,000	3.38
1979	44,399,000	1.68
1978	25,073,000	0.97
1977	15,280,000	0.63

+ Based on weighted average number of share and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 364,787,000	$ 267,637,000
Cost of sales	159,663,000	112,224,000
Expenses	118,277,000	82,067,000
Prod. devel. & eng.	27,521,000	20,390,000
Interest expense	5,146,000	5,737,000
Other expense (income)	(769,000)	990,000
Income before taxes	$ 54,949,000	$ 46,229,000
Income taxes	17,271,000	15,007,000
Net Income	$ 37,678,000	$ 31,222,000

* Included in Costs and Expenses, Depreciation and Amortization: $13,044,000 in 1981 and $6,268,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 28,959,000	$ 17,516,000
Accts. receiv., net	127,405,000	94,891,000
*Inventories	46,541,000	49,134,000
Prepaid exp. & deposits	13,016,000	7,892,000
Current Assets	$ 215,921,000	$ 169,433,000
#Fixed assets	89,759,000	62,182,000
Def. fin. exp.	3,116,000	1,479,000
Total Assets	$ 308,796,000	$ 233,094,000

Liabilities

Notes payable	$ 5,837,000	$ —
Equip. lease oblig., curr.	1,165,000	996,000
Accts. payable	29,127,000	20,708,000
Accruals	23,416,000	15,880,000
Income taxes	1,446,000	2,719,000
Deferred inc. taxes	9,119,000	10,392,000
Curr. Liabilities	$ 70,110,000	$ 50,695,000
Long-term debt	49,832,000	50,000,000
Notes payable	—	2,461,000
Equip. lease oblig.	8,258,000	8,311,000
Deferred inc. taxes	38,138,000	22,729,000
+Common stock	370,000	366,000
Add. paid-in capital	44,125,000	38,247,000
Retained earnings	97,963,000	60,285,000
Total Liabilities & Shareholders' Equity	$ 308,796,000	$ 233,094,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.0125 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.06	17.27
%Net Income to Sales	10.33	11.67
%Net Income to Equity	26.45	31.57
Sales to Inventories	7.84	5.45
Working Captital	$145,811,000	$118,738,000
Current Ratio	3.08	3.34
Shareholders' Equity	$142,458,000	$ 98,898,000

Princeton Electronic Products, Inc.

P.O. Box 101
North Brunswick, New Jersey 08902
(201) 297-4448

Officers: Steven R. Hofstein, chairman of the board; Hyman Center, president; Lloyd D. Feld, secretary.

Directors: Steven R. Hofstein, chairman; Hyman Center, Lloyd D. Feld, George A. Gade, Eftim Pandeff, Donald Clark, Arthur Goldman.

Areas of Work: Manufactures and sells video/graphic scan converters and storage terminals used in medical electronics applications including ultrasound diagnostic systems; also used in radar and sonar display systems, facsimile transmission systems.

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PELT (NASDAQ)

Number of Employees:

1980	23	1978	65
1979	60	1977	55

Plant Footage:

1980	14,000 sq. ft.	1978	19,000
1979	N/A *	1977	13,000

* Not Available.

Sales and Earnings

	Net Sales	Net Income#
1980	$ 2,037,072	$ (770,260)
1979	2,248,147	(491,758)
1978	3,507,133	166,706
1977	3,609,015	287,642
1976	2,846,041	75,545

	No. of Com. Shares‡	Earn. per Share#‡
1980	1,329,636	$ —
1979	1,322,666	—
1978	1,323,879	0.13
1977	1,322,046	0.22
1976	1,312,404	0.06

(Loss)
# Including extraordinary credits of $46,000 ($0.04 per share) in 1978, $94,500 ($0 07 per share) in 1977 and $4,522 ($0.01 per share) in 1976.
‡ Based on weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 499,130	$0.38
1979	1,264,857	0.96
1978	1,726,615	1.30
1977	1,559,909	1.18
1976	1,266,267	0.96

‡ Based on weighted average number of common shares and common shares equivalents outstanding.

Income Account *

Year ended May 31	1980	1979
Net sales	$ 2,037,072	$ 2,248,147
Interest income	268	10,250
Total Revenues	$ 2,037,340	$ 2,258,397
Cost of sales	2,079,998	1,739,306
Expenses	611,688	980,155
Interest expense	108,676	20,747
Loss before taxes	$ (763,022)	$ (481,811)
Income taxes	7,238	9,947
Net Loss	$ (770,260)	$ (491,758)

* Included in Costs and Expenses,, Depreciation and Amortization: $79,935,000 in 1980 and $76,800,000 in 1979.

Assets

As of May 31	1980	1979
Cash	$ 51,298	$ 215,992
Accts. receiv., net	346,970	434,805
*Inventories	1,134,966	1,112,476
Prepaid expenses	14,625	5,271
Current Assets	$ 1,547,859	$ 1,768,144
#Fixed assets	265,968	231,228
Security deposits	8,410	6,460
Intangibles	186,725	183,597
Total Assets	$ 2,008,962	$ 2,189,429

Liabilities

Notes payable	$ 646,986	$ 500,000
Accts. payable & accruals	854,008	408,573
Income taxes	8,838	15,999
Curr. Liabilities	$ 1,509,832	$ 924,572
+Common stock	1,404,369	1,399,836
Add. paid-in capital	1,111,170	1,111,170
Deficit	(2,016,409)	(1,246,149)
Total Liabilities & Shareholders' Equity	$ 2,008,962	$ 2,189,429

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	1.79	2.02
Working Capital	$ 38,027	$ 843,572
Current Ratio	1.03	1.91
Shareholders' Equity	$ 499,130	$ 1,264,857

Quantronix Corporation

225 Engineers Road
Smithtown, New York 11788
(516) 273-6900

Officers: Richard T. Daly, chief executive officer and president; Robert A. Kaplan, v.p.-engineering and treasurer; Sydney Meistrich, v.p.-mfg. and secretary; William I. Kern, v.p.-marketing; Joseph T. Kaplan, comptroller.

Directors: Richard T. Daly, Robert A. Kaplan, Peter S. Kolevzon, Sydney Meistrich, Robert W. Daly, George N. Riordin, Frederick W. Kulicke.

Areas of Work: Engaged in a single line of business: manufacturing electro-optic devices and systems, principally involving the use of a laser component, and end-products produced by such devices. Its products consist of a catalogue line of lasers, laser components and laser accessories; a "Laserscribe" system, which is used in the manufacture of semi-conductors; a Mask Inspection and Repair Tool, which is used to reduce waste in the manufacture of semi-conductors; and the Q-marc symbol master, which is used in the printing of labels readable by laser-scanning devices that identify stock-keeping units in supermarkets.

Subsidiary:

Quantronix, GmbH
Gross-Gerauer Weg 55
D-6100 Darmstadt, West Germany

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the Counter

Ticker Symbol: QUAN(NASDAQ)

Number of Employees:

1981	130	1977	65
1980	116	1976	68
1978	72		

Plant Footage:

1981	44,000 sq. ft.	1977	26,500
1980	26,500	1976	26,500
1978	26,500		

Quantronix Corporation

Sales and Earnings

	Net Sales †	Net Income ‡
1981	$ 7,885,540	$ 313,072
1980	6,270,923	330,699
1979	3,609,825	248,788
1978	2,868,924	46,334
1977	2,632,835	73,669

	No. of Com. Shares #	Earn per Share ‡#
1981	838,536	$ 0.37
1980	807,040	0.41
1979	779,216	0.32
1978	776,750	0.06
1977	776,750	0.09

† Includes services.
‡ Including extraordinary gains of $90,000 ($0.12 per share) in 1979 and $7,000 ($0.01 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 2,320,306	$ 2.77
1980	1,698,669	2.10
1979	1,327,649	1.70
1978	1,078,051	1.39
1977	1,031,717	1:33

+ Based on the weighted average number of shares outstanding.

Income Account *

Year ended March 31	1981	1980
Net sales & services	$ 7,885,540	$ 6,270,923
Cost of sales & services	4,173,671	3,378,026
Expenses	2,692,250	2,119,904
Interest expense	350,128	207,294
Abandonment of public offering	252,419	—
Income before taxes	$ 417,072	$ 565,699
Income taxes	104,000	235,000
Net Income	$ 313,072	$ 330,699

* Included in Costs and Expenses, Depreciation and Amortization: $184,731 in 1981 and $127,635 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 1,536,976	$ 633,067
Accts. receiv., net	1,934,932	1,568,099
*Inventories	2,227,290	1,563,277
Refund inc. taxes	91,787	—
Prepaid expenses	34,104	43,401
Current Assets	$ 5,825,089	$ 3,807,844
#Fixed assets	1,481,570	1,189,953
Other assets	419,636	76,463
Total Assets	$ 7,726,295	$ 5,074,260

Liabilities

	1981	1980
Long-term debt, curr.	$ 90,591	$ 34,740
Accts. payable	587,375	546,093
Accruals & other liabilities	569,370	335,544
Inc. taxes payable	38,000	229,176
Curr. Liabilities	$ 1,285,336	$ 1,145,553
Deferred inc. taxes	44,000	—
Long-term debt	4,076,000	2,230,038
+Common stock	8,443	8,363
Add. paid-in capital	2,372,182	2,063,697
(Deficit)	(39,794)	(352,866)
Note receiv.-sale of stock	(20,525)	(20,525)
Total Liabilities & Shareholders' Equity	$ 7,726,295	$ 5,074,260

* At lower of average cost of market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales & Services	5.29	9.02
%Net Income to Sales & Services	3.97	5.27
%Net Income to Equity	13.49	19.47
Working Capital	$4,539,753	$2,662,291
Current Ratio	4.53	3.32
Shareholders' Equity	$2,320,306	$1,698,669

Quotron Systems, Inc.

5454 Beethoven Street
Los Angeles, California 90066
(213) 398-2761

Officers: M.E. Mohr, chairman of the board, president & chief executive officer; G.H. Levine, v.p.-marketing & corp. secretary; A.F. Wood, v.p.-int'l operations; James L. Daugherty, v.p.-finance; R.B. Cooper, v.p.-customer engineering; B.B. Jackson, exec. v.p.-engineering & maufacturing; George F. Kabouchy, v.p. systems operations & programs; Peir L. Rossi, v.p.-engineering; Nikki Parker, v.p.-industrial reltions; Donald L. Stevens, v.p.-business development.

Directors: Richard W. Millar, Milton E. Mohr, Bayard Walker, T.F. Walkowicz, Frank Weeden, Richard F. Hespos, Ivan Sutherland.

Areas of Work: Manufacturer of general purpose computers and supplier of financial information services primarily for the financial market.

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QUOT (NASDAQ)

Number of Employees:

1981	1,000	1979	631
1980	N/A*	1978	573

Plant Footage:

1981	200,000 sq. ft.	1979	150,000
1979	150,000	1978	125,000

* Not Available.

Sales and Earnings

	Revenues	Net Income +
1981	$ 88,120,000	$ 12,485,000
1980	63,809,000	8,909,000
1979	47,414,788	7,017,121
1978	39,379,324	4,470,000
1977	33,353,384	4,850,374

	No. of Com. Shares ‡	Earn. per Share +†
1981	7,890,203	$ 1.55
1980	7,757,458	1.23
1979	6,872,948	0.95
1978	6,467,928	0.70
1977	4,408,338	0.[illegible]

+ Including extraordinary gain of $2,269,155 ($0.39 per share) in 1977.
† Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock split.
‡ Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	2-for-1
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 66,085,000	$ 8.38
1980	52,217,000	6.73
1979	20,084,976	2.92
1978	14,991,580	2.32
1977	6,773,019	1.54

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Financial info. serv.	$ 79,284,000	$ 56,818,000
Net sales	8,836,000	6,991,000
Total income	$ 88,120,000	$ 63,809,000
Cost of service	46,181,000	28,717,000
Cost of sales	5,839,000	4,325,000
Expenses	15,022,000	12,562,000
Interest expense	154,000	2,130,000
Income before taxes	$ 20,924,000	$ 16,075,000
Income taxes	8,439,000	7,166,000
Net Income	$ 12,485,000	$ 8,909,000

*Included in Costs and Expenses, Depreciation and Amortization: $13,103,000 in 1981 and $9,129,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 744,000	$ 6,334,000
Accts. receiv., net	5,548,000	5,317,000
*Inventories	16,701,000	9,488,000
Current Assets	$ 22,993,000	$ 21,139,000
#Financial infor. serv. equip.	63,029,000	39,830,000
#Fixed assets	5,242,000	2,638,000
Other assets	967,000	919,000
Total Assets	$ 92,231,000	$ 64,526,000

Liabilities

	1981	1980
Accts. payable	$ 4,448,000	$ 1,892,000
Long-term debt, curr.	10,308,000	880,000
Accruals	7,404,000	8,269,000
Deferred taxes	3,986,000	1,268,000
Total Liabilities	$ 26,146,000	$ 12,309,000
+Common stock	789,000	776,000
Add. paid-in capital	32,376,000	30,994,000
Retained earnings	32,920,000	20,447,000
Total Liabilities & Shareholders' Equity	$ 92,231,000	$ 64,526,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	23.74	25.19
%Net Income to Revenues	14.17	13.96
%Net Income to Equity	18.89	17.06
Shareholders' Equity	$66,085,000	$52,217,000

Radiation Systems, Inc.

1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680

Officers: Richard E. Thomas, chairman of the board & president; Michael Steinman, v.p., secretary & chief financial officer; Harold Aryai Siegel, v.p. & general counsel; Junius H. Arnold, Jr., Charles J. Bealey, v.p.'s; Robert L. Pevenstein, treasurer.

Directors: Richard E. Thomas, Peter Schenck, Earle Cook, Lee M. Paschall, Michael Steinman.

Areas of Work: Manufactures communications antennas for the military, air traffic control and commercial satellite industries.

Subsidiaries:

Universal Antennas, Incorporated
410 Kirby Street
Garland, Texas 75042
(214) 494-1491

SatCom Technologies, Inc.
2912 Pacific Drive
Norcross, Georgia 30071
(404) 448-2116

Transfer Agent(s):

The Riggs National Bank
800 17th Street N.W.
Washington, D.C. 20013

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RADS (NASDAQ)

Number of Employees:

1981	151	1978	84
1980	147	1977	116
1979	117		

Plant Footage:

1980	93,000 sq.ft.	1977	60,000
1979	59,000	1976	60,000
1978	60,000		

Sales and Earnings

	Net Sales	Net Income +
1981	$ 9,863,000	$ 1,180,000
1980	7,654,000	836,000
1979	5,655,000	665,000
1978	3,538,000	434,000
1977	5,124,000	628,000

	No. of Com. Shares	Earn. per Share +
1981	1,527,000	$ 0.84
1980	1,104,000	0.71
1979	1,095,000	0.59
1978	971,000	0.41
1977	1,097,000	0.54

+ Including extaordinary credits of $55,000 ($0.07 per share) in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.06⅔	—	3-for-2
1980	0.06⅔	—	—
1979	0.03⅓	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 8,944,000	$ 5.86
1980	3,842,000	3.48
1979	3,147,000	2.87
1978	2,422,000	2.49
1977	2,196,283	2.01

Income Account *

Year ended June 30	1981	1980
Net sales	$ 9,863,000	$ 7,654,000
Other income	436,000	84,000
Total income	$ 10,299,000	$ 7,738,000
Cost of sales & exp.	8,276,000	6,366,000
Interest expense	205,000	79,000
Future minor. int.	(11,000)	11,000
Income before taxes	$ 1,829,000	$ 1,282,000
Income taxes	649,000	446,000
Net Income	$ 1,180,000	$ 836,000

*Included in Costs and Expenses, Depreciation: $171,000 in 1980 and $249,000 in 1981.

Assets

As of June 30	1981	1980
Cash	$ 236,000	$ 460,000
Short-term invest.	5,023,000	—
Accts. receiv., net	1,424,000	1,471,000
Unbilled costs & accrued profits	2,108,000	2,576,000
Refundable taxes	17,000	418,000
*Inventories	857,000	301,000
Deferred compens. exp., current	150,000	—
Other Curr. assets	137,000	64,000
Current Assets	$ 9,952,000	$ 5,290,000
Other Assets	1,003,000	634,000
#Fixed assets	4,007,000	3,575,000
Total Assets	$ 14,962,000	$ 9,499,000

Liabilities

	1981	1980
Mortg. payable	$ 178,000	$ —
Accts. payable	733,000	1,086,000
Cust. advances	180,000	234,000
Accruals	369,000	238,000
Accrued payroll	124,000	119,000
Deferred compens. pay.	100,000	—
Income taxes pay.	858,000	—
Deferred Inc. taxes	775,000	1,145,000
Other liabilities	15,000	13,000
Curr. Liabilities	$ 3,332,000	$ 3,013,000
Mortg. payable	2,434,000	2,612,000
Deferred compens. pay.	100,000	—
Deferred inc. taxes	152,000	21,000
Future minority int.	—	11,000
+Common stock	1,527,000	823,000
Add. paid-in apital	4,160,000	941,000
Retained earnings	3,453,000	2,364,000
Unrealized loss on invest.	196,000	75,000
Treasury stock	—	211,000
Total Liabilities & Shareholders' Equity	$ 14,962,000	$ 9,499,000

*At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.54	16.75
%Net Income to Sales	11.96	10.92
%Net Income to Equity	13.19	21.76
Sales to Inventories	11.51	25.43
Working Capital	$6,620,000	$2,277,000
Current Ratio	2.99	1.76
Shareholders' Equity	$8,944,000	$3,842,000

Radio Frequency Company, Inc.

150 Dover Road
Millis, Massachusetts 02054
(617) 762-4900

Officers: Melvyn H. Harris, chairman of the board; Thomas W. James, president & chief exec. officer; Wallace J. Ross, v.p.; Norma A. McCambly, controller & treasurer; Ruth Y. Manwaring, clerk.

Directors: Norman Barlow, Ruth Y. Manwaring, A. Lee MacPhail, Robert L. Warren, Jr., Melvyn H. Harris, Rosamond B. Manwaring, Canda M. Tinkelenberg, Thomas W. James.

Areas of Work: Manufactures Induction and Microwave heater-electronic ovens that use radio waves to heat and dry materials.

Subsidiaries:

Radio Frequency Realty Corporation
Medfield, Massachusetts 02502

Transfer Agent(s):

Boston Safe Deposit & Trust

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	35	1979	35
1980	35	1978	30

Plant Footage:

1981	26,000 sq. ft.	1979	26,000
1980	26,000	1978	12,000

Sales and Earnings

	Net Sales	Net Income
1982	$ 1,810,113	$ 142,016
1981	2,036,234	302,459
1980	1,803,964	307,107

	No. of Com. Shares	Earn. per Share #
1982	284,455	$ 0.49
1981	287,355	1.04
1980	288,255	1.08

# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.28	—	—
1981	0.25	—	—
1980	0.22	—	—
1979	0.20	—	—
1978	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 1,886,561	$ 6.63
1981	1,871,218	6.51
1980	1,724,753	5.98

Income Account *

Year ended March 31	1982	1981
Net sales	$ 1,810,113	$ 2,036,234
Cost of sales	1,203,247	1,344,232
Expenses	456,832	453,431
Other income	(86,282)	(270,956)
Income before taxes	$ 236,316	$ 509,527
Income taxes	94,300	207,068
Net Income	$ 142,016	$ 302,459

*Included in Costs and Expenses, Depreciation: $65,471 in 1981 and $67,121 in 1980.

Assets

As of March 31	1982	1981
Cash	$ 640,130	$ 236,448
Accts. receiv. net	112,134	487,733
*Inventories	851,091	561,615
Income tax refunds	51,600	65,284
Other	17,522	6,998
Current Assets	$ 1,672,477	$ 1,358,078
# Fixed assts	720,191	725,075
Mortg. note receiv.	136,714	138,060
Total Assets	$ 2,529,382	$ 2,221,213

Liabilities

	1982	1981
Accts. payable	$ 95,049	$ 75,586
Customer progress payments	385,544	89,263
Accruals	129,428	153,446
Curr. Liabilities	$ 610,021	$ 318,295
Deferred inc. taxes	32,800	31,700
+ Common stock	343,000	343,000

Add. paid-in capital		298,080		298,080
Retained earnings		1,604,311		1,541,942
Treasury stock		(288,830)		(241,804)
Note receivable (loss)		(70,000)		(70,000)
Total Liabilities & Shareholders' Equity	$	2,529,382	$	2,221,213

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.06	25.02
%Net Income to Sales	7.85	14.85
%Net Income to Equity	7.53	16.16
Sales to Inventories	2.13	3.63
Working Capital	$1,062,456	$1,039,783
Current Ratio	2.74	4.27
Shareholders' Equity	$1,886,561	$1,871,218

Ragen Precision Industries, Inc.

9 Poreie Avenue
North Arlington, New Jersey 07032
(201) 997-1000

Officers: I.L. Lopata, chairman of the board; Eugene L. Lopata, president; Henry K. Kane, v.p.-manufacturing; Alexander C. Tomkins, Jr., secretary & treasurer; Arnold Herman, v.p.-planning; Barney Hunts, v.p.-Systems Div..

Directors: I.L. Lopata, chairman; Henry K. Kane, Eugene E. Lopata, William McGuinness, Gerald Conway, A.C. Tomkins, Jr., Bohdan J. Kekish, Paul A. Fend, Thatcher L. Townsend.

Areas of Work: Manufactures electronic components, printed circuit boards, mechanical assemblies and subassemblies, and precision mechanical components for the business equipment, electronic, nuclear and aircraft industries; designs and manufactures proprietary products, systems and services, such as graphic information management systems electronic mail, word processing facsimile, non-impact printers, electronic storage and retrieval systems; produces numerically controlled assembly systems for commercial and industrial uses.

Divisions:

Components Division
North Arlington, New Jersey
(201) 997-1000

Nuclear Division
North Arlington, New Jersey
(201) 997-1000

Systems Division
North Arlington, New Jersey
(201) 997-1000

Information Systems Division
North Arlington, New Jersey

Subsidiaries:

Microtronics Corp.
Clifton, New Jersey
(201) 779-6600

Ragen Data Systems, Inc.
New York
(516) 293-1333

Ragen International Corp.
North Arlington, New Jersey

Morgan Data Conversion, Inc.
Palo Alto, California

Micro-Tech
Ocean Township, New Jersey

Ragen Leasing Corporation
North Arlington, New Jersey

Ragen Information Systems, Inc.
Reston, Virginia

Transfer Agent(s):

The Marine Midland Bank
250 Park Avenue
New York, New York 10017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAGN (NASDAQ)

Number of Employees:

1981	550	1978	450
1980	674	1977	400
1979	591		

Plant Footage:

1980	190,000 sq. ft.	1978	132,095
1979	190,000	1977	132,095

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 31,242,753	$ (702,028)
1980	29,749,830	860,948
1979	25,750,381	1,505,031
1978	18,615,295	872,773
1977	14,913,731	660,016

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,222,772	$ —
1980	1,993,460	0.43
1979	1,981,008	0.76
1978	1,975,206	0.44
1977	1,974,660	0.33

(Loss)
‡ Based on average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Precision mech. components	$ 11,440	37%	$ 11,639	39%
Prop. systems & equipment	5,085	16	5,001	17
Printed current boards & assem.	6,861	22	6,953	23
Aircraft Instr. & components	7,857	25	6,157	21
Total	$ 31,243	100%	$ 29,750	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	6%	—
1980	—	6%	—
1979	—	5%	—
1978	—	3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 10,331,674	$ 4.65
1980	8,859,243	4.44
1979	7,765,898	3.92
1978	6,201,038	3.14
1977	5,326,279	2.70

‡ Based on average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30		1981		1980
Net sales	$	31,242,753	$	29,749,830
Cost of sales		25,721,515		22,022,863
Expenses		6,222,586		5,553,734
Oper. profit (loss)	$	(701,348)	$	2,173,233
Other income		(504,766)		(198,361)
Total	$	(196,562)	$	2,371,594
Interest expense		1,296,938		956,984
Income (loss) before taxes	$	(1,493,520)	$	1,414,610
Income taxes (credit)		(791,492)		553,662
Net Income (Loss)	$	(702,028)	$	860,948

* Included in Costs and Expenses, Depreciation and Amortization: $1,432,153 in 1981 and $1,084,609 in 1980.

Assets

As of Sept. 30		1981		1980
Cash	$	1,083,439	$	1,242,990
Marketable securities		213,483		—
Inc. taxes receiv.		424,910		158,812
Accts. receiv., net		5,653,396		6,115,169
*Inventories		7,624,667		8,861,172
Prepaid expenses		528,413		381,435
Deferred inc. taxes		909,964		219,801
Current Assets	$	16,438,272	$	16,979,379
Trust fund		2,888,261		—
Long-term receiv.		189,000		189,600
#Fixed assets		7,348,895		6,302,955
Other assets		245,084		260,183
Total Assets	$	27,109,512	$	23,732,117

Liabilities

Notes payable	$	861,793	$	186,480
Accts. payable		2,691,727		2,879,330
Costs in exc. of amts. recov.		450,000		1,103,587
Accrued commissioons		296,262		343,443
Accrued payroll		353,893		419,819
Accrued interest		200,991		208,072
Accrued taxes		68,433		93,765
Other liabilities		1,033,542		704,794
Curr. Liabilities	$	5,956,641	$	5,939,290
Long-term debt		10,300,000		8,499,735
Deferred inc. taxes		521,197		433,849
+Common stock		567,764		479,404
Add. paid-in capital		8,803,007		5,174,978
Retained earnings		960,903		3,204,861
Total Liabilities & Shareholders' Equity	$	27,109,512	$	23,732,117

*At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.76
%Net Income to Sales	—	2.89
%Net Income to Equity	—	9.72
Sales to Inventories	4.10	3.36
Working Capital	$10,481,631	$11,040,089
Current Ratio	2.76	2.86
Shareholders' Equity	$10,331,674	$ 8,859,243

Ramtek Corporation

2211 Lawson Lane
Santa Clara, California 95050
(408) 988-2211

Officers: Charles E. McEwan, chairman of the board & president; Thomas J. Adams, exec. v.p., secretary & treasurer; Joseph G. Morris, sr. v.p.; Arthur W. Fonda, v.p.-operations; Steve V. Cope, v.p.-engineering development; Michael F. Gordon, v.p. - software development; Anthony Glinskas, v.p. - sales.

Directors: Charles E. McEwan, chairman; Rolf Eliassen, Thomas J. Adams, Willard C. Mills, John R. Andrews, Jr.

Areas of Work: The company manufactures and markets computer graphic display systems for use in process control, computer aided design/manufacturing, and business graphics. Also, the corporation manufactures color hardcopy devices such as printers and cameras which reproduce the graphic images from the computer terminal on plain paper, film, overhead transparencies, slides and prints. Other products include monitors which provide the visual output generated by the display system and customized intelligent terminals.

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RMTK (NASDAQ)

Plant Footage:

1981	185,000 sq. ft.

Sales and Earnings

	Net Sales †	Net Income ‡
1981	$ 35,239,000	$ 1,442,000
1980	25,149,000	1,156,000
1979	15,221,000	283,000
1978	11,765,000	1,310,000
1977	8,408,000	1,161,000

	No. of Com. Shares #	Earn. per Share ‡ #
1981	2,665,000	$ 0.54
1980	2,024,000	0.57
1979	1,755,000	0.18
1978	1,545,000	0.89
1977	1,500,000	0.81

† Of continuing operations only.
‡ Including extraordinary gain of $215,000 ($0.14 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 16,800,810	$ 6.30
1980	15,023,133	7.42
1979	6,712,869	3.82
1978	2,254,613	1.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 35,238,967	$ 25,148,721
Cost of sales	18,741,149	11,969,522
Expenses	12,654,561	10,274,411
Interest expense	796,757	792,193
Income before taxes	$ 3,046,500	$ 2,112,595
Income taxes	1,388,000	957,000
Income from cont. oper.	$ 1,658,500	$ 1,155,595
Loss from discont. oper.	(216,000)	—
Net Income	$ 1,442,500	$ 1,155,595

* Included in Costs and Expenses, Depreciation and Amortization: $608,459 in 1981 and $674,536 in 1980.

Assets

As of June 30	1981	1980
Cash & short-term securities	$ 268,516	$ 1,449,464
Accts. receiv., net	9,967,116	6,930,748
*Inventories	12,540,062	10,341,148
Prepaid inc. taxes	228,470	94,440
Prepaid expenses	642,520	138,426
Assets of discont. oper.	—	537,144
Current assets	$ 23,646,686	$ 19,491,370
Note receivable	50,000	150,000
#Fixed assets	5,275,254	3,390,338
License agree. & rel. costs	612,980	518,082
Total Assets	$ 29,584,920	$ 23,549,790

Liabilities

Notes payable	$ 3,200,000	$ —
Accts. payable	3,720,749	4,961,454
Accruals:		
Income taxes	1,289,482	—
Compensation	1,114,311	608,398
Other	806,517	429,657
Long-term liab., curr.	1,084,981	956,106
Curr. Liabilities	$ 11,216,040	$ 6,955,615
Long-term liab.	1,568,070	1,571,042
+ Common stock	11,990,127	11,654,950
Retained earnings	4,810,683	3,368,183
Total Liabilities & Shareholders' Equity	$ 29,584,920	$ 23,549,790

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.40
%Net Income to Sales	—	4.60
%Net Income to Equity	8.59	7.69
Sales to Inventories	2.81	2.43
Working Capital	$12,430,646	$12,535,755
Current Ratio	2.11	2.80
Shareholders' Equity	$16,800,810	$15,023,133

Ranco Incorporated

World Headquarters
555 Metro Place North
P.O. Box 248
Dublin, Ohio 43017
(614) 764-3733

Officers: R.J. Grosh, chairman of the board & chief exec. officer; W.A. Chapman, president & chief operating officer; R.B. Robert, executive v.p.-finance & administration; H.A. Baker, executive v.p.-int'l operations; M.H. Reissig, treasurer & asst. secretary; E.A. Schrag, Jr., secretary; A.V. Ober, asst. treasurer.

Directors: R.J. Grosh, W.A. Chapman, D. Ginsburg, Jorg Mittelsten Scheid, B. Balders, R.J. Kegerreis, W.E. Mahaffay, R.E. Raney, R.B. Robert.

Areas of Work: Designs, manufactures and markets environmental comfort, convenience, and safety control devices and systems automatically regulating temperature, pressure, time sequencing, current flow and humidity.

Subsidiaries:

Ranco Controls, Canada, Limited
Ranco Controls Europe
Ranco Controls Limited
Bodmin Precision Components Limited
Ranco Electronics Europe Limited
Deutsche Ranco GmbH
Ranco Italian Controls Incorporated
Apparecchi di Controllo Ranco S.R.L.
Ranco de Mexico, S.A. de C.V.
Electronic Control Corporation de Mexico S.A.
Ranco France S.A.
Ranco Export Corporation
Controles Automaticos S.A.
Ranco Japan Limited (45% owned)

Teccor Electronics, Inc.
Dallas, Texas
Develops, manufactures and markets power semiconductors, triacs, silicon rectifiers, precision voltage regulators, solid-state relays and switches; variable speed controls, solid-state motor speed controls.

Transfer Agent(s):

BancOhio National Bank
Columbus, Ohio

The Chase Manhattan Bank
New York, New York

Stock Exchange(s): New York

Ticker Symbol: RNI

Number of Employees:

1981	5,600	1978	5,400
1980	5,300	1977	5,400
1979	6,200		

Sales and Earnings

	Net Sales	Net Income
1981	$ 179,446,000	$ 1,942,000
1980	179,418,000	3,862,000
1979	157,281,000	9,055,000
1978	141,783,000	8,421,000
1977	128,067,000	7,283,000

	No. of Com. Shares	Earn. per Share #
1981	3,501,035	$ 0.55
1980	3,497,451	1.11
1979	3,494,598	2.57
1978	2,446,371	2.29
1977	2,446,171	2.01

# Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Automotive	13.6%	11.8%
Residential & bldg. comfort control	33.9	25.8
Commercial refrigeration	17.0	20.0
Household refrigeration	29.4	22.5
Other	6.1	19.9
Total	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.84	—	—
1980	0.84	—	—
1979	0.76	—	3-for-2
1978	0.693	—	—
1977	0.48	—	—

+ Adjusted to reflect stock split.

Common Stock Equity #

	Total Equity	Equity Per Share +
1981	$ 54,033,000	$ 15.43
1980	55,043,000	15.74
1979	54,073,000	15.47
1978	51,323,000	20.98
1977	45,442,000	18.58

Restated to comply with FASB Statement No. 43 concerning compensated absences.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 179,446	$ 179,418
Cost of sales	139,555	145,186
Expenses	28,392	28,546
Interest expense	4,476	4,680
Other income	(177)	(1,111)
Inc. from sale of facil.	—	(863)
Income before taxes	$ 7,000	$ 2,980
Income taxes	4,724	369
Minority (taxes) credit	334	(1,251)
Net Income	$ 1,942	$ 3,862

* Included in Costs and Expenses, Depreciation and Amortization: $5,641,000 in 1981 and $5,006,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980 ‡
Cash & short-term invest.	$ 3,834	$ 1,801
Accts. receiv., net	32,071	31,912
Refund inc. tax	—	2,986
*Inventories	37,857	45,380
Prepaid expenses	1,545	3,617
Current Assets	$ 75,307	$ 85,696
Investments	11,846	10,777
#Fixed assets	37,626	33,529
Other assets	4,120	4,729
Total Assets	$ 128,899	$ 134,731

Liabilities
(000's)

	1981	1980 ‡
Long-term debt, curr.	$ 1,750	$ 1,185
Bank loans	1,498	12,350
Accts. payable	13,642	12,934
Accruals	6,513	6,516
Accrued payroll	8,664	10,014
Income taxes	1,529	1,047
Curr. Liabilities	$ 33,596	$ 44,046
Long-term debt	35,033	29,862
Deferred inc. taxes	4,719	4,435
Other liab.	1,518	1,345
+ Common stock	9,494	9,494
Add. paid-in capital	787	879
Retained earnings	48,773	49,771
Treasury stock	(5,021)	(5,101)
Total Liabilities & Shareholders' Equity	$ 128,899	$ 134,731

‡ Restated.
* At lower of cost (LIFO or FIFO) market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	3.90	1.66
%Net Income to Sales	1.08	2.15
%Net Income to Equity	3.53	6.95
Sales to Inventories	4.74	3.95
Working Capital	$41,711,000	$41,650,000
Current Ratio	2.24	1.95
Shareholders' Equity	$54,033,000	$55,043,000

Raven Industries, Inc.

205 E. 6th Street
Sioux Falls, South Dakota 57117
(605) 336-2750

Mailing address:

Box 1007
Sioux Falls, South Dakota 57117

Officers: David A. Christensen, president & chief executive officer; Murry B. Stevens, vice president & treasurer; Gary L. Conradi, v.p.-corp. services; Curtis I. Twedt, v.p.-Plastics Div.; James A. Winker, v.p.-Applied Technology Div.; James R. Salzenstein, David L. Stavig, v.p.'s-Sportswear Div.; Ronald M. Moquist, v.p.-Electronics Systems Div.; Joseph J. Zaliszewski, secretary; Arnold J. Thue, controller.

Directors: John H. Burg, David A. Christensen, Albert C. Gage, John E. Griffin, Conrad J. Hoigaard, Cyrus J. Hoigaard, W. Ray Laird, Jr., Robert G. May, John C. Skoglund.

Divisions:

Electronic Systems Division
Products include batch weighing, control and inventory systems; turbine helicopter auto-restart units, audio amplifiers, industrial annunciators, turbine engine speed controls, turbine engine test sets. FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Sportswear Division
Products include the "Swing West" line of ski clothing, "Raven" line of snowmobile suits and general outerwear, "Comfy", down insulated garments, "AFRC" cross cuntry ski clothing, as well as private label garments.

Plastics Division
Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use and custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets.

Applied Technology Division
Products and services include plastics tarpaulins, hot air sport balloons, high altitude research balloons, heavy load lifting balloons, decelerators(parachutes), contract engineering and research, water skiing kites, hot air blimps, and AdverBlimps.

Transfer Agent(s):

Northwestern National Bank of Minneapolis
Minneapolis, Minnesota

Northwestern Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Number of Employees:

1982	690	1979	1,093
1981	808	1978	969
1980	1,066		

Sales and Earnings

	Net Sales	Net Income
1982	$ 33,466,507	$ 1,173,894
1981	32,970,226	585,348
1980	38,383,134	1,833,161
1979	32,498,024	1,543,576
1978	27,512,147	1,264,056

	No. of Com. Shares †	Earn. per Share ‡
1982	1,355,187	$ 0.87
1981	1,342,269	0.43
1980	1,328,130	1.36
1979	1,306,640	1.15
1978	1,277,597	0.97

† Adjusted to reflect stock dividends.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1982	1981
Plastics division	$ 8,736,000	$ 8,464,000
Sportswear division	13,373,000	15,264,000
Applied technology division	5,970,000	5,803,000
Electronic systems division	5,388,000	3,437,000
Other	—	2,000
Total	$ 33,467,000	$ 32,970,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1982	$0.33	5%	—
1981	0.33	5%	—
1980	0.33	5%	—
1979	0.28	—	—
1978	0.24	—	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 10,323,614	$ 7.62
1981	9,550,343	7.12
1980	9,372,015	7.06
1979	7,919,029	6.06
1978	6,662,252	5.21

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1982	1981
Net Sales	$ 33,466,507	$ 32,970,226
Cost of sales	25,013,419	24,435,993
Expenses	6,088,197	6,539,922
Interest expense	592,319	1,264,733
Other income	(135,822)	(245,170)
Income before taxes	$ 1,908,394	$ 974,748
Income taxes	734,500	389,400
Net Income	$ 1,173,894	$ 585,348

* Included in Costs and Expenses, Depreciation: $776,181 in 1982 and $937,821 in 1981.

Assets

As of Jan. 31	1982	1981
Cash	$ 2,545,105	$ 352,487
Accts. receiv., net	5,043,075	4,877,143
*Inventories	7,094,380	8,440,229
Prepaid expenses	177,843	198.332
Current Assets	$ 14,860,403	$ 13,868,191
#Fixed assets	3,912,450	4,038,266
Other assets	252,992	258,703
Total Assets	$ 19,025,845	$ 18,165,160

Liabilities

	1982	1981
Long-term debt, curr.	$ 453,236	$ 589,931
Accts. payable	1,696,926	1,509,407
Accruals	1,598,075	1,289,957
Income taxes	334,109	82,141
Customer advances	136,124	176,082
Curr. Liabilities	$ 4,218,470	$ 3,647,518
Long-term debt	4,226,161	4,725,299
Deferred income taxes	257,600	242,000
+ Common stock	1,355,187	1,217,478
Add. paid-in capital	1,663,798	995,407
Retained earnings	7,304,629	7,337,458
Total Liabilities & Shareholders' Equity	$ 19,025,845	$ 18,165,160

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1982	1981
%Income bef. Taxes to Sales	5.70	2.96
%Net Income to Sales	3.51	1.78
%Net Income to Equity	11.37	6.13
Sales to Inventories	4.72	3.91
Working Capital	$10,641,933	$10,220,673
Current Ratio	3.52	3.80
Shareholders' Equity	$10,323,614	$ 9,550,343

Raychem Corporation

300 Constitution Drive
Menlo Park, California 94025
(415) 361-3333

Officers: Paul M. Cook, president; Robert M. Halperin, executive vice president; James B. Spradling, W. Rosse Heslop, Harry O. Postlewait, Robert J. Saldich, William A. Berry, Frederick M. Grafton, Gerald R. Delaney, Joachim H. Ohme, Albert F. Hassemer, vice presidents; Isaac Stein, v.p., secretary & treasurer.

Directors: Robert B. Engel, Jerome B. Weisner, Detlev K. Rohwedder, Paul M. Cook, Robert M. Halperin, J. Kenneth Jamieson, Richard W. Muchmore.

Areas of Work: Engaged in the development, manufacture and sale of high performance plastic and elastomeric insulation products and systems including overcurrent protection devices. The special properties of its products generally are achieved through radiation chemistry. In addition, the company manufactures and sells fiberglass reinforced electrical insulating sleeving products and electrical heating elements.

Subsidiaries:

Bentley-Harris Manufacturing Company
241 Welsh Pool Road
Lionville, Pennsylvania 19353
(215) 363-2600

Chemelex, Inc.
2555 Bay Road
Redwood City, California 94063
(415) 329-3333

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAYC (NASDAQ)

Number of Employees:

1981	8,065	1978	5,300
1980	7,850	1977	4,800
1979	6,700		

Plant Footage:

1981	3,452,000 sq.ft.	1978	2,796,000
1980	3,272,000	1977	2,300,000
1979	3,272,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 525,398,000	$ 35,595,000
1980	462,377,000	36,488,000
1979	338,099,000	29,596,000
1978	238,083,000	17,746,000
1977	177,482,000	12,450,000

	No. of Com. Shares#	Earn per Share#
1981	8,884,522	$ 4.01
1980	8,655,253	4.22
1979	8,445,054	3.50
1978	8,290,962	2.14
1977	8,195,898	1.52

#Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1981	$0.42	—	—
1980	0.325	—	2-for-1
1979	0.205	—	—
1978	0.12	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$ 252,690,000	$ 28.44
1980	207,642,000	23.99
1979	165,630,000	19.61
1978	133,078,000	16.05
1977	113,161,000	13.81

‡Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net Sales	$ 525,398,000	$ 462,377,000
Cost of sales	275,548,000	227,522,000
Expenses	180,926,000	163,529,000
Interest expense	9,599,000	9,483,000
Income before taxes	$ 59,325,000	$ 61,843,000
Income taxes	23,730,000	25,355,000
Net Income	$ 35,595,000	$ 36,488,000

*Included in Costs and Expenses, Depreciation and Amortization: $19,974,000 in 1981 and $15,163,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 16,063,000	$ 10,125,000
Accts. receiv., net	106,365,000	105,529,000
*Inventories	112,653,000	122,299,000
Prepaid expenses	31,772,000	16,544,000
Current Assets	$ 266,853,000	$ 254,497,000
#Fixed assets	176,050,000	147,047,000
Other assets	3,369,000	2,365,000
Total Assets	$ 446,272,000	$ 403,909,000

Liabilities

Notes payable	$ 59,941,000	$ 82,987,000
Long-term debt, curr.	1,470,000	1,611,000
Accts. payable	21,720,000	26,018,000
Accruals	40,904,000	37,134,000
Income taxes	32,019,000	25,896,000
Curr. Liabilities	$ 156,054,000	$ 173,646,000
Long-term debt	15,413,000	8,899,000
Deferred inc. taxes	22,115,000	13,722,000
+Common stock	86,247,000	73,057,000
Retained earnings	166,443,000	134,585,000
Total Liabilities & Shareholders' Equity	$ 446,272,000	$ 403,909,000

*At lower of cost (approx. FIFO & average) or market.
#Less accumulated depreciation and amortization.
+No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.29	13.38
%Net Income to Sales	6.77	7.89
%Net Income to Equity	14.09	17.57
Sales to Inventories	4.66	3.78
Working Capital	$110,799,000	$80,851,000
Current Ratio	1.71	1.47
Shareholders' Equity	$252,690,000	$207,642,000

Raymond Industries Inc.

217 Smith Street
Middletown, Connecticut 06457
(203) 632-1800

Officers: George B. Raymond, chairman of the board, president and chief executive officer; Hugh L. Cox, John D. Heinzmann, Edward G. Anderson, vice presidents; Donald Bidwell, v.p.-finance & secretary-treasurer.

Directors: John D. Heinzmann, George B. Raymond, James J. Prebe, Richard L. Raymond, Hugh L. Cox, Phil A. Petitt, Lloyd W. Elston.

Subsidiaries:

Safeway Products Inc.
440 Middlefield Street
Middletown, Connecticut 06457
(203) 346-6601

Manufactures flexible and rigid resistance and conductive etched circuits for heating or current carrying applications. Also produces custom manufactured, honeycomb core laminated panels.

Rapidprint Inc.
2055 South Main Street, Extension
Middletown, Connecticut 06457
(203) 346-9283

Manufactures electric time, date and numbering stamps. Product line also includes check endorsers, time clocks and job recorders. Also wholesales line of electronic and pneumatic timing devices and telephone interrupters.

Teleco Oilfield Services Inc. (35.6% owned)
2081 South Main Street
Middletown, Connecticut 06457
(203) 632-1133

Provides a measurement-while-drilling service to drillers of oil and gas wells from offshore platforms by gathering directional information and transmitting it to the surface without interrupting drilling operations.

Raymond Engineering Inc.
217 Smith Street
Middletown, Connecticut 06457
(203) 632-1000

Manufactures products in the following areas: ordnance products, military tape memory devices used in missile fire control systems, commercial avionics products, commercial magnetic tape memory devices and systems and precision torquing devices.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: RAE

***Number of Employees:**

1981	830	1979	865
1980	850	1978	829

***Plant Footage**

1981	287,000 sq. ft.	1979	287,000
1980	287,000		

* Excludes affiliate.

Sales and Earnings

	Net Sales	Net Income
1981	$ 46,702,000	$ 3,534,000
1980	43,984,000	5,508,000
1979	34,668,000	1,489,000
1978	31,566,000	1,176,000
1977	29,550,000	1,752,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,807,000	$ 1.93
1980	1,908,000	2.89
1979	2,096,000	0.71
1978	2,092,000	0.56
1977	1,862,000	0.94

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980	1979	1978
Raymond Engineering:				
Tape drives	31%	29%	21%	25%
Safing, arming & fusing devices	26	26	28	27
Other	7	7	7	6
Safeway:				
Heating prods. & honeycomb panels	24	25	29	27
Rapidprint:				
Time recording equip. & tele. interrupters	12	13	15	15
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.26	—	2-for-1
1980	0.25	—	—
1979	0.21	—	—
1978	0.20	—	—
1977	0.20	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 23,200,000	$ 12.84
1980	15,659,000	8.21
1979	14,489,000	6.91
1978	11,608,000	5.55
1977	7,114,000	3.82

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 46,702	$ 43,984
Cost of sales	32,949	32,526
Selling, gen. & adm.	8,296	7,375
Depreciation & amortization	724	685
Interest expense	680	1,127
Income before taxes	$ 4,053	$ 2,271
Income taxes	1,973	992
Gain on exch.	—	(2,956)
Equity in earnings of affiliate	(1,454)	(1,273)
Net Income	$ 3,534	$ 5,508

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 305	$ 459
Accts. receiv., net	6,684	5,701
*Inventories	10,032	10,317
Other curr. assets	102	196
Current Assets	$ 17,123	$ 16,673
Investments	10,615	4,866
#Fixed assets	6,792	6,275
Defer. taxes	398	534
Other assets	359	1,635
Total Assets	$ 35,287	$ 29,983

Liabilities
(000's)

Long-term debt, curr.	$ 331	$ 243
Accts. payable	1,834	1,829
Accruals	822	691
Accrued payroll	803	697
Dividends payable	117	115
Income taxes	814	367
Curr. Liabilities	$ 4,721	$ 3,942
Long-term debt	6,752	9,643
Deferred liabilities	614	739
+Common stock	1,798	1,062
Add. paid-in capital	8,575	6,700
Retained earnings	12,827	12,354
Treasury stock	—	(4,457)
Total Liabilities & Shareholders' Equity	$ 35,287	$ 29,983

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.68	5.16
%Net Income to Sales	7.57	12.52
%Net Income to Equity	15.23	35.17
Sales to Inventories	4.66	4.26
Working Capital	$12,402,000	$12,731,000
Current Ratio	3.63	4.23
Shareholders' Equity	$23,200,000	$15,659,000

Raytheon Company

141 Spring Street
Lexington, Massachusetts 02173
(617) 862-6600

Officers: Thomas L. Phillips, chairman & chief executive officer; D. Brainerd Holmes, president; Albert H. Bryan, Jr., v.p.-corporate development; Ronald B. Campbell, Jr., v.p.-research & development; Herbert Deitcher, v.p.-international financing; Palmer Derby, v.p.-new business analysis; James F. Dinneen, v.p.-government relations; Francis S. Fox, v.p.-public & financial relations; Everette L. Harper, v.p.-corporate operations, Washington, D.C.; E. Leonard Kane, v.p.-industrial relations; John R. Pasquariello, v.p.-manufacturing; Phillip A. Phalon, v.p.-international affairs; Charles H. Resnick, v.p., secretary & general counsel; Sheldon Rutstein, v.p. & controller; Robert L. Seaman, v.p.-planning; Joseph F. Shea, sr. v.p.-engineering; G. Richard Westin, v.p. & treasurer; James M. Hill, Jr., director, procurement; Stephen W. Rowen, director, government contracts; John D. Clare, Francis M. Dowd, Mike W. Fossier, Francis W. Heintz, Charles E. Jacobs, Jr., Eric M. Levi, Ralph A. Martin, Charles I. Mullaney, Dennis J. Picard, John P. Shanley, Sidney Stark, James S. Walsh, D.R.A. Steadman, v.p.'s; Richard C. Anderson, president-Seiomograph Service Corporation; O.A. Beech, chairman-Beech Aircraft Corp.; Edward C. Burns, president-Beech Aircraft Corp.; John B. Byers, president-Iowa Maufacturing Co.; Thomas M. Dahl, chairman-United Engineers & Constructors Inc.; Luther Davis, Jr., general manager-research division; Charles J. Dockery, president-Raytheon Marine Co.; Raymond J. Dowling, president-Caloric Corp.; George C. Foerstner, chairman-Amana Refrigeration, Inc.; Thomas D. Hall, president-Speed Queen Company; Frank E. Hedrick, vice chairman-Beech Aircraft Corp.; William C. Jones, president-Switchcraft, Inc.; Loren A. Korte, president-D.C. Heath & Co.; William H. Lord, president-United Engineers & Constructors Inc.; Wiliard E. Marcley, gen. mgr.-Submarine Signal Division; Alex A.Meyer, president-Amana Refrigeration, Inc.; Philip H. Seaver, president-The Badger Company, Inc.; Rulon G. Shelley, sr. v.p.; Robert E. Siegfried, chairman-The Badger Company, Inc.

Directors: Thomas L. Phillips, chairman; O.A. Beech, Frank E. Hedrick, Charles F. Adams, Harvey Brooks, James Neville Land, Jr., Richard D. Hill, William J. Hogan, D. Brainerd Holmes, Gordon B. Jones, Colman M. Mockler, Jr., Albert L. Nickerson, Francis H. Burr, Joseph J. Sisco.

Areas of Work: Engaged in the design, engineering, manufacture and servicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying.

Divisions, Subsidiaries & Affiliates:

D.C. Heath and Company
New York, New York
Lexington, Massachusetts
Indianapolis, Indiana
Produces and distributes textbooks and coordinated instructional materials, science learning apparatus and Caedmon spoken-word recordings.

Seismograph Service Corporation
Tulsa, Oklahoma
Geophysical exploration, radio positioning, oil well logging services; oil industry control communications.

The Badger Company, Inc.
Cambridge, Massachusetts
Houston, Texas
New York, New York
Tampa and Lakeland, Florida
Design, engineering and construction of petroleum, coal, petrochemical, chemical and fertilizer processing plants.

Amana Refrigeration, Inc.
Amana, Iowa
Fayetteville, Tennessee
Electric ranges, refrigerators, freezers, room and central air conditioners, heat pumps, microwave ovens.

Microwave and Power Tube Division
Waltham, Burlington & Quincy, Mass.
Stamford, Connecticut
Chicago, Illinois
Microwave tubes; solid state microwave devices; lasers; broadcast and X-ray tubes; power supplies; industrial microwave heating systems; transformers; receiving and industrial tubes; particle accelerators; electronic hardware; night vision devices, molded plastic products, image intensifiers, light amplifier tubes, infrared detectors, medical electronics.

Caloric Corporation
Topton, Pennsylvania
Gas and electric ranges, microwave ovens, dishwashers, and related kitchen products.

Equipment Division
Norwood, Sudbury, Wayland, and Waltham, Massachusetts
Surface and shipboard radar and navigation systems; military communications; radar instrumentation; air traffic control systems, data display systems; spacecraft guidance computers; missile guidance electronics; photogrammetry; mapping services, software systems, vehicle traffic control systems.

Semiconductor Division
Mountain View, California
Transistors, diodes, and microelectric circuits.

Raytheon Data Systems Company
Norwood, Massachusetts
General-purpose computers, memories, peripheral equipment. Microwave communications equipment and systems; voice, data and relays; digital information display systems and information handling systems.

Raytheon Marine Company
Manchester, New Hampshire
Marine radars, depth sunders, radiotelephones, direction finders, and related navigation aids.

Sorensen Company
Manchester, New Hampshire
Power supplies, power regulating equipment, precision welders, ultrasonic grinders.

Research Division
Materials and components for electronics.

Missile Systems Division
Bedford, Andover and Lowell, Massachusetts
Bristol, Tennessee
Oxnard, California
Air defense and tactical airborne systems; related radar, command and control systems, avionics.

Electromagnetic Systems Division
Santa Barbara, California
Re-entry systems, electronic counter-measures.

Submarine Signal Division
Portsmouth, Rhode Island
Anti-submarine warfare systems, submarine and airborne sonar, transducers, ocean systems and equipment.

Raytheon Service Company
Burlington, Massachusetts
Installation and maintenance of electronic systems and equipment; education and training.

Switchcraft, Inc.
Chicago, Illinois
Paxton, Illinois
Sullivan, Illinois
Switches, jacks, plugs and connectors and audio accessory components.

El-Jay, Inc.
Eugene, Oregon
Stationary and portable cone-type rock crushing machinery.

Iowa Manufacturing Co.
Cedar Rapids, Iowa
Aggregate producing and asphalt mixing plants and paving equipment.

United Engineers & Constructors Inc.
Philadelphia, Pennsylvania
Boston, Massachusetts

Design, engineering and construction of conventional and nuclear power facilities and general industrial plants.

Raytheon Canada Limited
Waterloo, Ontario, Canada
Surface and shipboard radar and navigation systems; military communications, air traffic control systems, data display systems, shipboard defense systems.

Cossor Electronics Limited
Harlow, Essex, England
Air traffic control radar, transponders, marine equipment, VHG radios, instruments, displays.

Greengate Cables Ltd.
Manchester, England
Welding and power cables.

Le Fil Dynamo S.A.
Lyon, France
Winding wire.

Klasing G.m.b.H. & Co.
Ingolstadt, West Germany
Braided fine wire and small-diameter cable.

Lacroix & Kress G.m.b.H. & Co.
Bramsche, West Germany
Ultra-fine wire.

Sterling Cable Company Ltd.
Aldermaston, Berkshire, England
Electric power cables for military and industrial use.

TAG Semiconductos Ltd.
Zurich, Switzerland
Semiconductor devices.

The Kuras Alterman Corporation
Electronic countermeasures.

Data Logic Ltd.
England
Computer software and systems.

Electrical Installations Ltd.
England
Commercial installation of electrical systems.

Lexitron Corp.
Word-processing systems.

SEDCO Systems, Inc.
Ferrite components; phased array antennas for electronic countermeasures.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific & Midwest

Ticker Symbol: RTN

Number of Employees:

1981	76,500	1978	63,600
1980	77,900	1977	57,810
1979	67,200		

Plant Footage:

1981	26,200,000 sq.ft.	1978	13,946,000
1980	19,896,000	1977	13,946,000
1979	19,500,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 5,636,200	$ 324,000
1980	5,002,100	282,300
1979	4,354,200	240,300
1978	3,786,700	186,600
1977	3,262,800	141,600

	No. of Com. Shares #	Earn. per Share #
1981	83,958,000	$ 3.86
1980	83,014,000	3.40
1979	82,510,000	2.91
1978	82,070,000	2.27
1977	81,594,000	1.74

Based on weighted average number of shares outstanding. Adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Electronics	$ 2,664,000	$ 2,414,000
Aircraft prods.	901,000	756,000
Energy services	1,126,000	884,000
Major appliances	638,000	643,000
Other	307,000	305,000
Total	$ 5,636,000	$ 5,002,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.25	—	2-for-1
1980	1.05	—	—
1979	0.85	—	—
1978	0.65	—	—
1977	0.50	—	2-for-1

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1981	$ 1,536,000	$ 18.25
1980	1,303,600	15.64
1979	1,086,500	23.30
1978	892,600	11.12
1977	739,500	9.39

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 5,636,184	$ 5,002,088
Cost of sales	4,502,829	4,000,579
Expenses	690,495	590,892
Interest expense	18,409	19,107
Interest income	(98,913)	(77,993)
Other income	(14,787)	(9,982)
Income before taxes	$ 538,151	$ 479,485
Income taxes	214,110	197,228
Net Income	$ 324,041	$ 282,257

* Included in Costs and Expenses, Depreciation and Amortization: $169,011,000 in 1981 and $143,344,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 50,710	$ 15,718
Marketable securities	572,824	510,891
Accts. receiv., net	603,356	516,705
Contracts in progress	382,976	301,334
*Inventories	718,960	687,936
Prepaid expenses	10,673	11,033
Current Assets	$ 2,339,499	$ 2,043,617
#Fixed assets	817,997	712,463
Other assets	206,263	172,455
Total Assets	$ 3,363,759	$ 2,928,535

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 64,483	$ 60,834
Accts. payable	334,335	251,002
Advance payments	456,394	498,208
Accrued payroll	125,574	119,332
Income taxes	508,255	441,756
Other accruals	263,413	176,722
Curr. Liabilities	$ 1,752,454	$ 1,547,854
Long-term debt	75,292	77,085
+Common stock	84,180	83,366
Add. paid-in capital	138,098	125,376
Retained earnings	1,313,735	1,094,854
Total Liabilities & Shareholders' Equity	$ 3,363,759	$ 2,928,535

* At cost (FIFO or average), but not in excess of net realizable value. Aircraft prods. inventories are stated at lower of cost (LIFO) or market. Work in process stated at total cost incurred reduced by est. costs of units delivered.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.55	9.59
%Net Income to Sales	5.75	5.64
%Net Income to Equity	21.10	21.65
Sales to Inventories	7.84	7.27
Working Capital	$ 587,045,000	$ 495,763,000
Current Ratio	1.33	1.32
Shareholders' Equity	$1,536,013,000	$1,303,596,000

RCA Corporation

30 Rockefeller Plaza
New York, New York 10020
(212) 621-6000

Officers: Thornton F. Bradshaw, chairman of the board and chief executive officer; Frank T. Alfieri, executive v.p.-finance; Eugene E. Beyer, Jr., exec. v.p. and general counsel; Kenneth W. Bilby, exec. v.p.-corporate affairs; Charles C. Ellis, exec.v.p.-long range financial planning; George H. Fuchs, exec. v.p.-industrial relations; William C. Hittinger, exec. v.p.-research and engineering; Irving K. Kessler, Frank A. Olson, Roy H. Pollack, exec. v.p.'s; Herbert S. Schlosser, exec. v.p.; James M. Alic, Eugene F. Murphy, Jack K. Sauter, James Vollmer, group v.p.'s; Stephen S. Barone, sr. v.p.-licensing; Rocco M. Laginestra, sr. v.p.-planning; John H. Bermingham, v.p. and general attorney; Melvin Cornfield, v.p.and treasurer; George A. Fadler, v.p.-corporate services; Andrew F. Inglis, v.p.; J. Thomas Kennedy, v.p. & controller; Robert F. Maddocks, v.p.-organization and management resources; Francis L. McClure, v.p.-personnel operations; Robert S. Pepper, v.p. and general manager-Solid State Division; John V. Regan, v.p.-patent operations; Raymond L. Scherer, v.p.-Washington; William M. Webster, v.p.-RCA Laboratories; William P. Alexander, secretary.

Directors: Thornton F. Bradshaw, Robert Cizik, George H. Fuchs, I. Owen Funderburg, Edgar H. Griffiths, William C. Hittinger, Walter S. Holmes, Jr., Grant A. Tinker, Peter G. Peterson, John R. Petty, Roy H. Pollack, Cecily C. Selby Andrew C. Sigler, Donald B. Smiley, Frank A. Olson.

Areas of Work: Engaged in the research, manufacture, distribution, sale, lease and servicing of consumer electronic products, including television, home video disc products, records and recorded tapes; commercial electronic products, including solid-state devices, commercial systems, and tubes and components; space and military electronic equipment. It is also engaged in furnishing network television and radio services and equipment and operating television and radio stations; furnishing overseas voice/record communications services and domestic communications satellite services; licensing patents and providing technical know-how; renting and leasing automobiles and trucks; manufacturing and selling carpets; and conducting other activities related to the foregoing. Through C.I.T. Financial Corporation, a diversified financial services organization, and its subsidiaries, RCA is also engagedin providing financial services in the fields of consumer financing, industrial financing and leasing, factoring and commercial financing, life and health insurance; and in the manufacture, sale and distribution of medical equipment, and other paper products, and electrical outlet boxes and fittings.

Divisions:

Consumer Electronics
600 North Sherman Drive
Indianapolis, Indiana 46201
(317) 267-5000

RCA Corporation

Distributor and Special Products Division
2000 Clements Bridge Road
Deptford, New Jersey 08096
(609) 541-3636

RCA Records
1133 Avenue of the Americas
New York, New York 10036
(212) 930-4300

Solid State Division
Route 202
Somerville, New Jersey 08876
(201) 685-6000

Picture Tube Division
New Holland Avenue
Lancaster, Pennsylvania 17604
(717) 397-7661

Government Systems Division
Marne Highway and Borton Landing Road
Moorestown, New Jersey 08057
(609) 541-7000

Commercial Communications Systems Division
Front and Cooper Streets
Camden, New Jersey 08102
(609) 338-3000

RCA Laboratories
David Sarnoff Research Center
Princeton, New Jersey 08540
(609) 452-2700

RCA Service Company
Route 38
Cherry Hill, New Jersey 08538
(609) 338-3000

RCA Electro-Optics and Devices
New Holland Avenue
Lancaster, Pennsylvania 17604
(717) 397-7661

Subsidiaries:

C.I.T. Financial Corporation
650 Madison Avenue
New York, New York 10022

Coronet Industries, Inc.
Coronet Drive
P.O. Box 1248
Dalton, Georgia 30720
(404) 259-4511

National Broadcasting Company, Inc.
30 Rockefeller Plaza
New York, New York 10020
(212) 664-4444

RCA Distributing Corp.
600 North Sherman Drive
Indianapolis, Indiana 46201
(317) 267-6000

RCA American Communications, Inc.
201 Centennial Avenue
Piscataway, New Jersey 08854
(201) 885-4000

RCA Global Communications, Inc.
60 Broad Street
New York, New York 10040
(212) 248-2121

RCA Sales Corporation
600 North Sherman Drive
Indianapolis, Indiana 46201
(317) 267-6000

The Hertz Corporation
660 Madison Avenue
New York, New York 10021
(212) 980-2121

RCA International Development Corporation
30 Rockefeller Plaza
New York, New York 10020
(212) 598-5900

Transfer Agent(s):

RCA Corporation
30 Rockefeller Plaza
New York, New York 10020

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest, Pacific, Boston, Cincinnati, Phila-Balt-Wash.

Ticker Symbol: RCA

Number of Employees:

1981	119,000	1978	118,000
1980	133,000	1977	111,000
1979	120,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1981	$ 8,004,800	$ 54,000
1980	8,011,300	315,300
1879	7,454,600	283,800
1978	6,600,600	278,400
1977	5,880,900	247,000

	No. of Com. Shares	Earn. per Share #
1981	75,380,000	$ —
1980	74,976,000	3.35
1979	74,876,000	3.72
1978	74,739,000	3.65
1977	74,694,000	3.23

+ Includes other revenue.
# Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Electronics - consumer products & services	$ 2,317,600	$ 1,915,500
Electronics-commercial products & services	1,196,400	1,280,500
Electronics-System & Services	896,300	767,500
Broadcasting	1,618,700	1,521,800
Vehicle renting & related services	1,428,400	1,290,200
Communications	269,800	253,500
Other products & services	277,600	982,300
Total	$ 8,004,800	$ 8,011,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.80	—	—
1980	1.80	—	—
1979	1.60	—	—
1978	1.40	—	—
1977	1.20	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1981	$ 1,577,881	$ 19.03
1980	1,739,558	21.22
1979	1,624,750	21.70
1978	1,464,034	19.59
1977	1,295,022	17.34

‡ After allowing for preferred stock at liquidation value of $100 per share.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales & services	$ 8,004,800	$ 8,011,300
Cost of sales & services	6,144,500	6,197,200
Expenses	1,374,900	1,336,900
Equity in earn. of C.I.T.	(198,400)	(227,500)
Interest expenses	375,700	268,000
Prov. for restructure	230,000	—
Other income	(20,200)	(70,600)
Income before taxes	$ 98,300	$ 507,300
Income taxes	44,300	192,000
Net Income	$ 54,000	$ 315,300

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 50,100	$ 31,200
Investments	125,200	143,600
Receiv., net	1,290,900	1,236,500
*Inventories	712,300	564,900
Prepaid expenses	553,200	536,300
Invest. in assets held for sale	78,300	208,100
Rental autos of Hertz	808,500	682,700
Current Assets	$ 3,618,500	$ 3,403,300
#Fixed assets	1,515,600	1,368,600
Rev.-earning equip.	913,500	764,200
Other assets	1,809,100	1,611,500
Total Assets	$ 7,856,700	$ 7,147,600

Liabilities
(000's)

Notes payable	$ 277,900	$ 117,900
Hertz debt	717,500	475,400
Accts. payable and accruals	1,850,100	1,494,700
Dividends payable	66,900	67,000
Income taxes	150,300	122,200
Curr. Liabilities	$ 3,062,700	$ 2,277,200
Long-term debt (Hertz)	683,800	686,900
Other long-term debt	1,172,000	1,084,300
Deferred inc. taxes & other liabilities	698,300	687,800
+Pref. stock with mand. redemp.:		
$3.65 cumulative	334,900	332,900
2.125 cum. convert.	217,100	216,300
+Preferred stock		
$3.50 cumulative	2,100	2,300
$4 cumulative	7,700	8,700
+Common stock	50,400	50,200
Add. paid-in capital	454,500	452,500
Retained earnings	1,198,200	1,348,500
Trans. adjust.	(25,000)	—
Total Liabilities & Shareholders' Equity	$ 7,856,700	$ 7,147,600

* At lower of cost (FIFO) or market; domestic inventories at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.23	6.33
%Net Income to Sales	0.67	3.94
%Net Income to Equity	3.20	16.93
Working Capital	$555,800,000,000	$1,126,100,000
Current Ratio	1.18	1.49
Shareholders' Equity	$ 1,687,900,000	$ 1,862,200,000

Recognition Equipment Incorporated

2701 East Grauwyler Road
Irving, Texas 75061
(214) 579-6000

Mailing address:

P.O. Box 222307
Dallas, Texas 75222

Officers: John Lawrence, president; Conrad A. Strelau, sr. v.p.; Israel Sheinberg, group v.p.; William C. Kramp, sr. v.p. & treasurer; Leonard J. Nunley, sr. v.p.; Charles H. Cowles, John L. Erickson, Joe L. Poitevent, Gary F. Hall, Sr., Sigvard Carlefred, v.p.'s; Thomas A. Loose, v.p., secretary & general counsel; Sam L. Densmore, III, controller.

Directors: John Lawrence*, chairman of the board; Trammell Crow*, William C. Kramp, Reid W. Dennis*, Herman L. Philipson, Jr.*, Howard J. Runnion, Jr., Israel Sheinberg, Jay Rodney Reese*, William C. Hittinger.

*Member of Executive Committee.

Areas of Work: Engaged in the design, manufacture, market, and service of a variety of information processing systems employing optical character recognition, magnetic, ink character recognition, image capturing, high-speed paper handling, ink-jet printing and innovative software/hardware integration technologies. Systems are used for data acquisition, document handling and document truncation in such applications as centralized data entry, high-speed document processing, mail processing and distributed data processing.

Subsidiaries:

Recognition Business Systems, Inc.
Irving, Texas

Recognition Equipment (Canada) Ltd.
Toronto, Canada

Recognition Equipment France, S.A.
Paris, France

Recognition Equipment GmbH
Recognition Equipment Europe GmbH
Frankfurt, West Germany

Recognition Equipment Iberica S.A.
Madrid, Spain

AB Recognition Equipment Industri
Stockholm, Sweden

Recognition Equipment Italia, S.p.A.
Rome, Italy

Recognition Equipment Nederland, B.V.
Amsterdam, Netherlands

Recognition Equipment Norge A/S
Oslo, Norway

Recognition Equipment (Japan) Inc.
Tokyo, Japan

Recognition Equipment Limited
London, England

Recognition Equipment Europe S.A.
Brussels, Belgium

Recognition Pacific Limited
Sydney, Australia

Transfer Agent(s):

First National Bank in Dallas
P.O. Box 83652
Dallas, Texas 75283

Stock Exchange(s): New York

Ticker Symbol: REC

Number of Employees:

1981	3,000	1978	2,500
1980	2,700	1977	1,900
1979	2,500		

Plant Footage:

1980	425,000 sq. ft.	1977	225,000
1979	330,000	1976	225,000
1978	255,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 131,468,000	$ (8,167,000)
1980	113,102,000	5,416,000
1979	98,249,000	2,634,000
1978	86,711,000	5,595,000
1977	75,145,000	6,867,000

	No. of Com. Shares	Earn. per Share ‡ #
1981	6,004,393	$ —
1980	5,988,824	0.90
1979	5,886,674	0.44
1978	5,851,969	0.94
1977	5,693,794	1.17

(Loss)
‡ Including extraordinary gains of $35,000 ($0.01 per share) in 1979, $857,000 ($0.14 per share) in 1978 and $2,797,000 ($0.48 per share) in 1977.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 52,792,000	$ 8.67
1980	62,906,000	10.50
1979	56,984,000	9.68
1978	54,670,000	9.34
1977	48,102,000	8.45

Income Account *
(000's)

Year ended Oct. 31	1981	1980
Revenues	$ 131,468	$ 113,102
Cost of sales & oper. expenses	88,745	71,142
Research & develop.	12,123	8,419
Selling, general & adm. exp.	28,745	22,897
Oper. profit	$ 1,855	$ 10,644
For. exch. loss	3,170	364
Other charges	3,791	—
Prov. for lawsuit	1,270	1,792
Income (loss) before taxes	$ (6,376)	$ 8,479
Income taxes	1,791	3,585
Net Income (loss)	$ (8,167)	$ 4,894
Extraord. gain	—	522
Net Income & extraord. gain	$ (8,167)	$ 5,416

* Included in Costs and Expenses, Depreciation: $3,722,000 in 1981 and $3,151,000 in 1980.

Assets
(000's)

As of Oct. 31	1981	1980
Cash	$ 6,445	$ 8,512
Accts. receiv.	31,682	25,395
*Inventories	44,976	38,431
Long-term contracts	3,156	2,207
Other assets	1,128	1,366
Current Assets	$ 87,387	$ 75,911
#Fixed assets	24,500	23,458
Long-term receiv.	13,524	18,731
Other assets	4,596	1,937
Total Assets	$ 130,007	$ 120,037

Liabilities
(000's)

Short-term debt	$ 3,977	$ 10,256
Accts. payable	7,740	3,126
Accruals	10,454	7,911
Customer advances	11,636	10,776
Income taxes	1,062	909
Curr. Liabilities	$ 34,869	$ 32,978
Long-term debt	38,568	19,978
Deferred inc. taxes	3,778	4,175
+Common stock	1,523	1,519
Add. paid-in capital	53,159	53,029
Retained earnings	887	9,054
Translation adjust.	(2,079)	—
Treasury stock	(698)	(696)
Total Liabilities & Shareholders' Equity	$ 130,007	$ 120,037

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	7.50
%Net Income to Revenues	—	4.33
%Net Income to Equity	—	7.78
Working Capital	$52,518,000	$42,933,000
Current Ratio	2.51	2.30
Shareholders' Equity	$52,792,000	$62,906,000

Rectisel Corporation

21 Gray Oaks Avenue
Yonkers, New York 10710
(914) 965-4400

Officers: Robert I. Mendels, president & chairman of the board; Jack D. Weiner, David Mendels, v.p.'s; R.A. Pozzuoli, secretary-treasurer.

Directors: Robert I. Mendels, Carol Mendels, David B. Mendels.

Divisions:

R.I. Mendels Company
Export electrical components and equipment and acts as export agent for subsidiary.

Component Sales Company
Sales company for electronic components.

Subsidiaries:

Electronic Devices, Inc.
21 Gray Oaks Avenue
Yonkers, New York 10710
Designs, develops, manufactures and sells high-voltage silicon rectifiers (diodes), and related rectifier assemblies for use in color sets, medical instruments, navigation equipment, computers and peripherals, power tools, business machines and other applications.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, N.J. 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RECT (NASDAQ)

Number of Employees:

1981	110

Plant Footage:

1981	45,000 sq. ft.	1978	45,000
1980	45,000	1977	45,000
1979	45,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 5,947,984	$ 199,271
1980	6,252,000	234,000
1979	6,422,284	293,368
1978	4,751,757	(42,345)
1977	5,094,000	38,000

Rectisel Corporation

	No. of Com. Shares ‡	Earn. per Share ‡ †
1981	939,880	$ 0.21
1980	949,119	0.24
1979	1,373,947	0.21
1978	1,433,947	—
1977	1,433,947	0.03

(Loss)
† Including extraordinary gain of $51,840 ($0.05 per share) in 1980.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 1,639,164	$ 1.74
1980	1,440,000	1.52
1979	1,214,405	0.88
1978	921,037	0.64

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 5,947,984	$ 6,252,000
Cost of sales	4,438,508	4,762,000
Expenses	1,197,035	1,205,000
Other income	(26,659)	(47,000)
Income before taxes	$ 339,100	$ 332,000
Income taxes	139,100	135,000
Minority interest	—	15,000
Net Income	$ 199,271	$ 182,000
Extraord. gain	—	52,000
Net Income & Extraord. Gain	$ 199,271	$ 234,000

Assets

As of Aug. 31	1981	1980
Cash & cash equiv.	$ 517,695	$ 464,000
Accts. & other receiv.	846,105	1,004,000
* Inventories	721,943	741,000
Prepaid expenses & other assets	27,179	24,000
Inc. & franchise taxes receiv.	—	6,000
Current Assets	$ 2,112,922	$ 2,239,000
# Fixed assets	453,749	440,000
Other assets	131,269	122,000
Total Assets	$ 2,697,940	$ 2,801,000

Liabilities

Note payable	$ —	$ 170,000
Long-term debt, curr.	87,004	48,000
Accts. payable	349,544	489,000
Income taxes & other accruals	241,017	208,000
Curr. Liabilities	$ 677,565	$ 915,000
Long-term debt	337,051	402,000
Deferred inc. taxes	44,160	44,000
+ Common Stock	143,395	144,000
Add. paid-in capital	281,311	281,000
Retained earnings	1,249,514	1,050,000
Treasury stock	(35,056)	35,000
Total Liabilities & Shareholders Equity	$ 2,697,940	$ 2,801,000

* At lower of cost (parent co. at FIFO; subsid. at LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.70	5.31
%Net Income to Sales	3.35	2.91
%Net Income to Equity	12.16	12.64
Sales to Inventories	8.24	8.44
Working Capital	$1,435,357	$1,324,000
Current Ratio	3.12	2.45
Shareholders' Equity	$1,639,164	$1,440,000

Redcor Corporation

940 Detroit Avenue
Concord, California 94518
(415) 686-6660

Officers: Michael O. Preletz, chairman of the board & president; Irvin R. Reuling, secretary & treasurer.

Directors: Arthur Bruno, William R. Hambrecht, Michael O. Preletz, Gene Washington.

Areas of Work: Manufactures a series of electronic modules and linear integrated circuits.

Subsidiaries:

Zeltex, Inc.
1000 Chalomar Road
Concord, California 94518
(415) 686-6660

Produces operational amplifiers, function modules, conversion products and power supplies.

Silicon General, Inc.
7382 Bolsa Avenue
Westminister, California 92683
(714) 892-5531

Manufactures linear IC circuits.

Transfer Agent(s):

Wells Fargo Bank

Stock Exchange(s): Over-the-Counter

Ticker Symbol: REDC (NASDAQ)

Sales and Earnings

	Revenues	Net Income ‡
1980	$ 24,531,000	$ 2,611,000
1979	16,425,000	2,736,000
1978	11,750,000	1,486,000
1977	8,788,000	67,000
1976	7,596,000	138,000

	No. of Com. Shares †	Earn. per Share ‡ +
1980	2,693,400	$0.95
1979	2,477,568	0.98
1978	2,267,824	0.59
1977	2,657,624	0.03
1976	2,657,624	0.05

‡ Including extraordinary gains of $996,000 ($0.36 per share) in 1979 and $80,000 ($0.03 per share) in 1978.
† Adjusted to reflect stock splits.
+ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	2-for-1
1979	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 8,813,000	$3.27
1979	6,265,000	2.53
1978	3,115,000	1.37
1977	1,710,000	0.64
1976	1,559,000	0.59

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	6/29/80	7/1/79
Net sales	$ 23,822,000	$ 16,041,000
Gain on sale	430,000	—
Other income	279,000	384,000
Total Income	$ 24,531,000	$ 16,425,000
Cost of sales	14,751,000	9,367,000
Expenses	5,985,000	3,811,000
Income before taxes	$ 3,795,000	$ 3,247,000
Income taxes	1,184,000	1,507,000
Net Income	$ 2,611,000	$ 1,740,000
Extraord. gain	—	996,000
Net Income & Extraord. gain	$ 2,611,000	$ 2,736,000

* Included in Costs and Expenses, Depreciation and Amortization: $262,000 in 1980 and $140,000 in 1979.

Assets

Year ended	6/29/80	7/1/79
Cash	$ 4,308,000	$ 3,160,000
Accts. receiv., net	2,611,000	1,946,000
* Inventories	4,359,000	2,596,000
Prepaid expenses	20,000	65,000
Current Assets	$ 11,298,000	$ 7,767,000
# Fixed assets	3,500,000	2,861,000
Other assets	55,000	123,000
Intangibles	265,000	282,000
Total Assets	$ 15,118,000	$ 11,033,000

Liabilities

Long-term debt, curr.	$ 47,000	$ 7,000
Accts. payable	1,731,000	1,314,000
Accruals	1,410,000	1,097,000
Allow. for sales returns	265,000	335,000
Income taxes	708,000	—
Curr. Liabilities	$ 4,161,000	$ 2,753,000
Long-term debt	235,000	184,000
Deferred inc. taxes	1,909,000	1,831,000
+ Common stock	917,000	780,000
Add. paid-in capital	1,971,000	1,422,000
Retained earnings	7,313,000	4,702,000
Subsidiary shares	(1,388,000)	(639,000)
Total Liabilities & Shareholders' Equity	$ 15,118,000	$ 11,033,000

* At lower of standard cost (which approximates average cost) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	15.93	20.24
%Net Income to Sales	10.96	10.85
%Net Income to Equity	29.63	27.77
Sales to Inventories	5.47	6.18
Working Capital	$ 7,137,000	$ 5,014,000
Current Ratio	2.72	2.82
Shareholders' Equity	$ 8,813,000	$ 6,265,000

REDM Industries, Inc.

(formerly R.E.D.M. Corporation)
One Garret Mt. Plaza
West Paterson, New Jersey 07424
(201) 881-0801

Officers: Fred S. Kann, chairman of the board, president & chief executive officer; Seymour Sylvan, sr. v.p.; Seymour S. Weisman, asst. to president; Irving H. Stolz, v.p. & general counsel; Harry Friedling, secretary & treasurer; Allan Lorimer, controller & asst. treasurer.

Directors: Irving H. Stolz, Fred S. Kann, Simon R. Bregman, Harry Friedling, Alexander E. Langsam, Seymour S. Weisman, Stanley Jeriha, Fred F. Rimmler, Seymour Sylvan.

Subsidiaries:

REDM Corporation
70 Old Turnpike Road
Wayne, New Jersey 07470
Electromechanical and electronic assemblies, fuzing and arming devices, and specialty cables.

The Eby Company
2751 Southampton Road
Philadelphia, Pennsylvania 19154
(215) 969-4200
Manufacturer of electronic connectors, sockets, binding posts and other electronic passive components.

Hyperion Industries Corporation
134 Coolidge Avenue
Watertown, Massachusetts 02172
(617) 926-0140
Manufacturer of power supplies and transformers.

Techniplast Inc.
231 Main Street
Little Falls, New Jersey 07424
(201) 785-1400
Custom molders for the safety equipment, medical and housewares industries.

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: RED

Number of Employees:

1981	650

Plant Footage:

1981	278,400 sq. ft.

Sales and Earnings

	Net Sales +	Net Income #
1981	$ 32,112,816	$ 1,892,442
1980	25,314,421	1,528,865
1979	17,610,139	1,144,741
1978	15,149,901	851,539
1977	14,717,976	800.875

	No. of Com. Shares	Earn. per Share # ×
1981	1,405,948	$ 1.35
1980	1,368,748	1.12
1979	1,364,948	0.80
1978	1,451,006	0.59
1977	1,457,151	0.55

+ Of continuing operations only.
# Including extraordinary gains of $340,500 ($0.23 per share) in 1977 and extraordinary losses of $101,000 ($0.07 per share) in 1979 and $75,500 ($0.05 per share) in 1978.
× Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Mechanical	$ 7,564,000	$ 4,602,000
Electronics	17,409,000	15,127,000
Plastics	7,140,000	5,585,000
Total	$ 32,113,000	$ 25,314,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,324,327	$ 7.34
1980	8,355,730	6.10
1979	6,818,945	5.00
1978	6,059,097	4.18
1977	5,217,544	3.58

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 32,112,816	$ 25,314,421
Cost of sales	24,660,834	19,022,874
Expenses	4,310,612	3,418,248
Other income	(427,072)	(182,066)
Income before taxes	$ 3,568,442	$ 3,055,365
Income taxes	1,676,000	1,526,500
Net Income	$ 1,892,442	$ 1,528,865

*Included in Costs and Expenses, Depreciation and Amortization: $565,956 in 1981 and $495,499 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & cert. of deposit	$ 899,087	$ 1,588,111
Marketable securities	4,252,062	2,348,990
Accts. receiv., net	4,431,794	4,298,910
*Inventories	3,860,163	3,471,318
Prepaid expenses & other assets	655,479	516,195
Current Assets	$ 14,098,585	$ 12,223,524
# Fixed assets	5,411,797	2,434,539
Other assets	387,297	165,521
Total Assets	$ 19,897,679	$ 14,823,584

Liabilities

Long-term debt, curr.	$ 194,730	$ 291,200
Advance payments on contracts	1,332,696	767,362
Accts. payable	3,187,300	2,290,009
Accrued expense	2,352,252	1,674,159
Inc. taxes payable	372,620	741,502
Curr. Liabilities	$ 7,439,598	$ 5,764,232
Long-term debt	2,133,754	703,622
+ Common stock	371,027	361,727
Add. paid-in capital	3,360,496	3,293,641
Retained earnings	6,905,436	5,012,994
Treasury stock	(312,632)	(312,632)
Total Liabilities & Shareholders' Equity	$ 19,897,679	$ 14,823,584

*At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.11	12.07
%Net Income to Sales	5.89	6.04
%Net Income to Equity	18.33	18.30
Sales to Inventories	8.32	7.29
Working Capital	$ 6,658,987	$6,459,292
Current Ratio	1.90	2.12
Shareholders' Equity	$10,324,327	$8,355,730

Regency Electronics, Inc.

7707 Records Street
Indianapolis, Indiana 46226
(317) 545-4282

Officers: Floyd O. Ritter, chairman of the board; Joseph E. Boone, president; Byron E. Crum, v.p.-marketing; A.D. Strahla, v.p. & treasurer; James K. Sommer, secretary.

Directors: Floyd O. Ritter, chairman; Edwin J. Sommer, Sr., James K. Sommer, Joseph B. Weaver, Nelson A. Boyd, Sr., Joseph E. Boone, Ralph R. Whitney, Jr.

Areas of Work: Produces and markets electronic test equipment, for commercial and avionics markets; transceivers and receivers for public service, business and the consumer radio market; energy load management radio switches for the utilities industry and for Honeywell for industrial application.

Subsidiaries:

IFR, Inc.
4053 Navajo Lane
Wichita, Kansas 67210
(316) 685-9271
Produces a line of aviation and commercial electronics test equipment.

Regency Communications, Inc.
1227 South Patrick Drive
Satellite Beach, Florida 32927
(305) 777-1414
Makes two-way FM mobile radios.

Wilson Electronics, Inc.
Las Vegas, Nevada
(702) 739-1931
Produces two-way FM radios and FM amateur radios.

RCD, Inc.
Buys and sells quartz crystals.

Wilson Electronics, Inc. (Philippines)
Manufactures electronic devices.

Transfer Agent(s):

Merchants National Bank & Trust Co.
1 Merchants Plaza
Indianapolis, Indiana 46255

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RGCY (NASDAQ)

Number of Employees:

1981	1,150	1978	1,100
1980	1,250	1977	900
1979	1,418		

Plant Footage:

1981	270,000 sq.ft.	1978	182,000
1980	270,000	1977	182,000
1979	270,000		

Sales and Earnings

	Net Sales#	Net Income
1981	$ 70,820,935	$ 7,860,577
1980	57,570,879	5,149,751
1979	51,590,345	5,312,047
1978	38,780,729	3,517,140
1977	37,404,256	757,617

	No. of Com. Shares‡	Earn. per Share‡
1981	5,390,000	$ 1.46
1980	5,376,000	0.96
1979	5,367,000	0.99
1978	5,349,000	0.66
1977	5,345,000	0.14

#Includes other income.
‡Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock †

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.38	—	2-for-1
1980	0.35	—	—
1979	0.35	—	—
1978	0.25	—	—
1977	0.30	—	—

†Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share‡
1981	$ 37,546,678	$ 6.97
1980	31,461,328	5.85
1979	28,159,594	5.25
1978	24,676,448	4.61
1977	22,465,090	4.20

‡Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 70,820,935	$ 57,570,879
Other income	650,280	419,139

Regency Electronics, Inc.

Total income	$ 71,471,215	$ 57,990,018
Cost of sales	40,125,521	33,823,719
Expenses	15,310,230	12,791,935
Amort. of goodwill	62,743	96,061
Interest expense	802,138	625,532
Loss from discont. oper.	—	485,338
Other charges	74,006	49,682
Income before taxes	$ 15,096,577	$ 10,117,751
Income taxes	7,236,000	4,968,000
Net Income	$ 7,860,577	$ 5,149,751

*Included in Costs and Expenses, Depreciation: $1,454,084 in 1981 and $1,361,172 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 537,717	$ 533,340
Accts. receiv., net	14,706,187	11,764,563
*Inventories	23,950,626	22,700,235
Prepaid expenses	587,034	270,775
Fixed assets of discont. oper.	—	575,147
Current Assets	$ 39,781,564	$ 35,844,060
# Fixed assets	7,256,521	6,513,665
Prop. under cap leases	2,275,531	2,406,589
Other assets	486,539	232,963
Intangibles	840,628	903,371
Total Assets	$ 50,640,783	$ 45,900,648

Liabilities

Notes payable	$ 2,415,000	$ 5,050,000
Cap. lease oblig., curr.	78,547	70,053
Accts. payable	1,733,323	2,047,154
Accruals	2,274,987	1,743,999
Accrued payroll	949,941	810,570
Income taxes	2,443,080	1,615,835
Deferred income taxes	9,000	25,000
Other taxes	484,678	394,613
Curr. Liabilities	$ 10,388,556	$ 11,757,224
Cap. lease oblig.	2,297,549	2,376,096
Deferred inc.taxes	408,000	306,000
+Common stock	2,162,064	1,916,084
Retained earnings	35,384,614	29,545,244
Total Liabilities & Shareholders' Equity	$ 50,640,783	$ 45,900,648

*At lower of cost (FIFO) or market.
#Less accumulated depreciation.
+No par value.

Statistical Summary

%Income bef. Taxes to Sales	21.32	17.57
%Net Income to Sales	11.10	8.95
%Net Income to Equity	20.94	16.37
Sales to Inventories	2.96	2.54
Working Capital	$29,393,008	$24,086,836
Current Ratio	3.83	3.05
Shareholders' Equity	$37,546,678	$31,461,328

Resdel Industries

300 East Live Oak Avenue
Arcadia, California 91106 ((213) 445-5955

Officers: H.K. Abajian, chairman, John S. Hartwell, president & chief ecexutive officer; M.C. Barker, v.p.-finance; William C. Neil Jr., v.p.

Directors: H.K. Abajian, S.L. Hahn, R.C. Shherburne, T.P. Collier, G.A. Macer, John S. Hartwell.

Areas of Work: Engaged in the design, development and manufacture of highly technical electronic communications systems and devices for government and prime contractors use and in the design and distribution of consumer electronic communication products.

Subsidiaries:

Resdel Engineering Corporation
300 East Live Oak Avenue
Arcadia, California 91106

Engaged in the development and manufacture of government communications products; 20 watt S-band transmitters, miniature monitor receivers, microprinter, and 40 watt L-band strip line transmitter.

Fanon/Courier Corporation
300 East Live Oak Avenue
Arcadia, California 91106

Manufactures and markets consumer electronic products; intercoms for all types of applications, walkie-talkies, telephone amplifiers, PA amplifiers, megaphones, loudspeakers, radio transmitters, pocket pagers cordless telephones, portable scanners, etc.

Resdel Communications Corporation
300 East Live Oak Avenue
Arcadia, California 91106

Resdel International B.V.(inactive)
Amsterdam, The Netherlands

Resdel International Japan, Ltd.
Tokyo, Japan

Evaluation and acquisition of products from the Orient.

Resdel International Hong Kong, Ltd.(inactive)
Hong Kong

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESD (NASDAQ)

Number of Employees:

1981	179	1979	291
1980	225	1978	313

Plant Footage:

1981	44,000 sq. ft.	1979	90,000
1980	90,000	1978	90,000

Sales and Earnings

	Net Sales	Net Income
1982	$ 6,045,000	$ (822,000)
1980	12,392,000	(1,310,000)
1979	12,563,394	(3,518,583)
1978	16,808,817	(2,818,598)
1977	26,715,552	(3,954,520)

	No. of Com. Shares #	Earn. per Share #
1981	1,077,717	$ —
1980	961,050	—
1979	961,050	—
1978	961,050	—
1977	959,458	—

(Loss)
# Based on weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1981	1980
Gov't products	$ 5,661,000	$ 6,010,000
Consumer prods.	2,539,000	4,414,000
Export prods.	865,000	1,968,000
Total	$ 9,065,000	$ 12,392,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	$0.10	—	—

Income Account *

Year ended June 30	1981	1980
Net sales	$ 6,045,000	$ 12,392,000
Cost of sales	4,644,000	9,787,000
Expenses	1,351,000	2,542,000
Research & devel.	22,000	208,000
Depreciation & amortization	197,000	248,000
Interest expense	657,000	905,000
Loss before taxes	$ (826,000)	$ (1,298,000)
Income taxes (credit)	(4,000)	12,000
Loss—cont'd oper.	$ (822,000)	$ (1,310,000)
Loss—discont'd oper.	(641,000)	—
Net Loss	$ (1,463,000)	$ (1,310,000)

Assets

As of June 30		1980
Cash	$ 181,000	$ 86,000
Accts. receiv., net	1,104,000	1,832,000
*Inventories	306,000	2,294,000
Prepaid expenses	861,000	1,250,000
Costs recov. under contracts	83,000	128,000
Current Assets	$ 2,535,000	$ 5,590,000
#Fixed assets	426,000	803,000
Other assets	19,000	61,000
Total Assets	$ 2,980,000	$ 6,454,000

Liabilities

Long-term debt, curr.	$ —	$ 349,000
Notes payable	—	590,000
Accts. payable	269,000	1,336,000
Accruals	258,000	259,000
Accrued payroll	311,000	379,000
Income taxes	—	22,000
Curr. Liabilities	$ 838,000	$ 2,935,000
Long-term debt	2,118,000	4,305,000
Other deferred liab.	—	23,000
+Preferred stock	—	3,000,000
++Common stock	1,881,000	480,000
Add. paid-in capital	7,038,000	3,143,000
Retained earnings (deficit)	(8,895,000)	(7,432,000)
Total Liabilities & Shareholders' Equity	$ 2,980,000	$ 6,454,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value.
+ + $0.50 par value.

Statistical Summary

Sales to Inventories	19.74	5.40
Working Capital	$1,647,000	$ 2,655,000
Current Ratio	3.03	1.90
Shareholders' Equity (Deficiency)	$ 24,000	$(3,809,000)

Research, Incorporated

P.O. Box 24064
Minneapolis, Minnesota 55424
(612) 941-3300

Officers: A.E. Abramson, president; W.A. Erdahl, vice president, treasurer, & asst. secretary; J.A. Ruce, F.T. Renshaw, G.W. Sangster, v.p.'s; G.E. Magnuson, secretary.

Directors: A.E. Abramson, J.R. Anderson, K.G. Anderson, W.J. Benjamin.

Areas of Work: Designs, manufactures and sells proprietary products from the following three related groups: electronic and/or electrical process control instruments, radiant heating devices and telecommunications terminals.

Subsidiaries:

Research International, Inc. (DISC)
P.O. Box 24064
Minneapolis, Minnesota 55424

Transfer Agent(s):

Northwestern National Bank of Minneapolis
7th Street at Marquette Avenue
Minneapolis, Minnesota 55840

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESR (NASDAQ)

Number of Employees:

1981	292	1978	240
1980	293	1977	233
1979	276		

Plant Footage:

1981	90,000 sq.ft.	1978	90,000
1980	90,000	1977	90,000
1979	90,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 22,832,832	$ 1,853,259
1980	21,400,467	1,702,213
1979	17,579,379	1,252,897
1978	14,221,766	1,018,307
1977	11,731,234	978,060

	No. of Com. Shares	Earn. per Share#
1981	1,629,500	$ 1.14
1980	1,605,000	1.06
1979	1,596,000	0.79
1978	1,592,000	0.64
1977	1,532,000	0.62

#Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981 (000's)	% (000's)	1980	%
Process control instruments	8,089	35%	7,308	34%
Radiant heating devices	6,164	27	6,480	30
Telecommunications terminals	8,580	38	7,612	36
	22,833	100%	21,400	100%

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.16	—	2-for-1
1979	0.125	—	—
1978	0.10	—	2-for-1
1977	0.083	—	—

‡Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,642,797	$ 5.92
1980	8,081,346	5.04
1979	6,623,516	4.15
1978	5,565,962	3.50
1977	4,635,618	3.03

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 22,832,832	$ 21,400,467
Cost of sales	12,785,403	12,340,142
Expenses	6,220,629	5,417,042
Other income	(110,994)	(53,164)
Prof. sh. plan	387,806	362,245
Interest expense	59,729	73,989
Income before taxes	$ 3,490,259	$ 3,260,213
Income taxes	1,637,000	1,558,000
Net Income	$ 1,853,259	$ 1,702,213

* Included in Costs and Expenses, Depreciation: $339,325 in 1981 and $359,778 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 224,918	$ 192,332
Short term investments	796,375	—
Accts. receiv., net	4,417,911	4,760,218
*Inventories	5,383,193	4,825,238
Prepaid expenses	95,632	68,964
Current Assets	$ 10,918,029	$ 9,846,752
Rental prop.	472,619	564,983
#Fixed assets	1,626,390	1,699,883
Total Assets	$ 13,017,038	$ 12,111,618

Liabilities

Accts. payable	$ 1,108,896	$ 1,567,569
Accruals	1,488,881	1,386,216
Income taxes	403,464	758,487
Curr. Liabilities	$ 3,001,241	$ 3,712,272
Deferred inc. tax	373,000	318,000
+Common stock	899,570	887,170
Paid-in capital	174,217	152,517
Retained earnings	8,790,485	7,263,134
Treasury stock	(221,475)	(221,475)
Total Liabilities & Shareholders' Equity	$ 13,017,038	$ 12,111,618

*At lower of cost (FIFO) or market.
#Less accumulated depreciation.
+$0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.29	15.23
%Net Income to Sales	8.12	7.95
%Net Income to Equity	19.22	21.06
Working Capital	$7,916,788	$6,134,480
Current Ratio	3.64	2.65
Shareholders' Equity	$9,642,797	$8,081,346

Rexham Corporation

90 Park Avenue
New York, New York 10016
(212) 883-0915

Executive Office:

1201 Greenwood Cliff
Charlotte, North Carolina 28204
(704) 371-5700

Officers: Scott C. Lea, president; Keith F. Kennedy, sr. v.p.-law; Charles C. Brown, v.p.-Machinery Group; E. Alan Erb, v.p.-Flexible Packaging; E. Bryant Froch, v.p.-Industrial Group; Thomas M. Little, v.p.-Packaging Group; Thomas L. McVerry, v.p.-finance & resources; Wesley G. Soule, treasurer; Rubina I. Grosso, secretary; Staton E. Boyette, Jr., controller.

Directors: J. Sinclair Armstrong, James W. Foley, Roscoe C. Ingalls, Jr., Keith F. Kennedy, Scott C. Lea, Edward H. Michaelsen, Robert J.Milano, Orland M. Scott, John Hoyt Stookey.

Divisions and Subsidiaries:

Schiller Industries, Inc.
2000 Highway 157 West
P.O. Box 1088
Cullman, Alabama 35055
(205) 739-1115

Manufactures ultraclose machined components for defense, aerospace, and commercial applications. Also produces electronic assemblies and custom designed interconnect harness systems and is engaged in the field of commercial chemical analysis.

Laminex, Inc.

Manufactures security/identification and graphic laminating systems.

Wright Machinery

Manufactures vertical packing machinery for the snack, convenience food and cereal markets.

Bartelt Machinery

Designs and manufactures machines that horizontally form, fill, and seal packages made from flexible materials.

Warner Packaging

Designs and produces paperboard and combination packaging for cosmetics, personal care and pharmaceuticals.

Fashion Packaging

Manufactures packaging for hosiery, textile and pharmaceutical products; pressure sensitive labels.

Flexible Packaging

Manufactures printed, coated, and laminated papers, films, foils for convenience foods, tobacco, photographic and health care products.

Industrial Division

Develops technical coatings and laminations of foils, tissues, and films for the electronic, automotive, and photographic industries.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: RXH

Sales and Earnings

	Net Sales +	Net Income †
1981	$ 189,854,000	$ 9,445,000
1980	168,902,000	6,677,000
1979	157,471,000	8,268,000
1978	143,530,000	6,898,000

	No.of Com. Shares	Earn. per Share † ‡
1981	4,303,717	$ 2.19
1980	4,304,392	1.55
1979	4,316,486	1.91

+ Of continuing operations only.
† Including extraordinary losses of $784,000 ($0.18 per share) in 1980 and $2,114,000 in 1978.
‡ Based on the weighted average number of common shares outstanding during the year.

Revenues By Line of Business
(000's)

	1981	1980
Coated or laminated paper, film & foil	$ 91,669	$ 84,520
Plain or uncoated film & others	9,890	10,081
Converted paperboard	37,825	37,099
Machinery	23,512	28,671
Precision metal & electronic components	26,958	8,531
Total	$ 189,854	$ 168,902

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.60	—	—
1980	0.60	—	—
1979	0.60	—	—
1978	0.575	—	—
1977	0.475	—	—

Rexham Corporation

Common Stock Equity

		Total Equity	Equity Per Share
1981	$	72,018,000	$ 16.73
1980		65,328,000	15.18
1979		61,486,000	14.24

Income Account *
(000's)

Year ended		1/3/82		12/28/80
Net sales	$	189,854	$	168,902
Cost of sales		155,042		135,593
Expenses		18,220		17,562
Interest & financing expense		2,166		2,448
Other income		(1,055)		363
Income before taxes	$	15,481	$	12,936
Income taxes		6,036		5,647
Income from Cont. Oper.	$	9,445	$	7,289
Income from discont. oper.		—		172
Net Income	$	9,445	$	7,461
Extraord. charge		—		(784)
Net Income & Extraord. charge	$	9,445	$	6,677

* Included in Costs and Expenses, Depreciation and Amortization: $5,703,000 in 1981 and $4,678,000 in 1980.

Assets
(000's)

As of		1/3/82		12/28/80
Cash	$	2,916	$	5,907
Temporary cash investment		10,705		—
Receivables, net		19,268		21,662
*Inventories		30,706		29,725
Other assets		1,341		2,442
Current Assets	$	64,936	$	59,736
#Fixed assets		54,009		55,763
Other assets		6,615		7,297
Total Assets	$	125,560	$	122,796

Liabilities
(000's)

Accts. payable	$	11,827	$	12,788
Accrued payroll		6,645		4,827
Income taxes pay.		3,502		5,079
Other accruals		1,349		1,921
Dividends payable		646		646
Curr. Liabilities	$	23,969	$	25,261
Long-term debt		23,117		25,625
Oblig. under cap. leases		783		727
Deferred inc. taxes		4,562		4,395
Deferred pension liab.		1,111		1,460
+Common stock		4,500		4,500
Add. paid-in capital		31,530		31,629
Retained earnings		38,341		31,482
Treasury stock		(2,353)		(2,283)
Total Liabilities & Shareholders' Equity	$	125,560	$	122,796

* At lower of cost principally average or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	13.11	11.42
Sales to Inventories	6.18	5.68
Working Capital	$40,967,000	$34,475,000
Current Ratio	2.71	2.36
Shareholders' Equity	$72,018,000	$65,328,000

Ripley Company, Inc.

46 Nooks Hill Road
Cromwell, Connecticut 06416
(203) 635-2200

Officers: F.A. Rudolph, chairman of the board and chief exec. officer; H.I. Thayer, Jr., president; Alvah A. Russell, Jr., v.p.-engineering; James J. Matthews, vice president; Sebastian DiStefano, treasurer; S. Michael Schatz, secretary.

Directors: F.A. Rudolph, chairman; Sebastian DiStefano, H.I. Thayer, Jr., James J. Matthews, Lewis B. Daniels, Jr., Douglas Kellogg, James E. Griffin, Richard T. Gibbons.

Areas of Work: Specializes in the manufacture of blowers, electronics and mechanical timers, cable preparation tools and light-activated sunswitches, decorative street lights and packages to convert mercury vapor lights to high pressure sodium lights.

Subsidiaries:

Utility Tool Corporation
East Haddam, Connecticut
Manufactures cable stripping equipment.

Transfer Agent(s):

Connecticut Bank & Trust Co.
Hartford, Connecticut 06115

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RIPY (NASDAQ)

Plant Footage:

1981	45,000 sq. ft.	1979	45,000
1980	45,000	1978	45,000

Sales and Earnings

		Net Sales	Net Income
1982	$	5,060,102	307,417
1981		5,129,232	474,383
1980		3,665,596	(69,061)
1979		3,549,545	231,908
1978		2,717,767	34,351

	No. of Com. Shares	Earn. per Share ‡
1982	588,280	$ 0.52
1981	588,280	0.82
1980	576,400	—
1979	576,400	0.40
1978	576,400	0.06

(Loss)
‡ Including extraordinary credit of $31,768 ($0.05 per share) in 1981.

Revenues By Line of Business

		1982		1981
Electronic equipment	$	3,002,969	$	3,134,648
Blower parts & accessories		536,373		582,976
Cable preparation tools		1,520,760		1,411,608
Total	$	5,060,102	$	5,129,232

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.20	—	—
1981	0.16	—	—
1980	0.16	—	—
1979	0.16	—	—
1978	0.16	—	—

Common Stock Equity

		Total Equity	Equity Per Share
1982	$	2,055,973	$ 3.49
1981		1,866,212	3.17
1980		1,482,553	2.57
1979		1,643,838	2.85
1978		1,504,154	2.61

Income Account *

Year ended Feb. 28		1982		1981
Net sales	$	5,060,102	$	5,129,232
Cost of sales		3,415,191		3,385,268
Expenses		1,036,400		966,755
Other expense (income)		(20,477)		36,302
Income before taxes	$	628,988	$	740,907
Income taxes		321,571		298,292
Net Income	$	307,417	$	442,615
Extraordinary Credit		—		31,768
Net Income & Extraordinary Credits	$	307,417	$	474,383

* Included in Costs and Expenses, Depreciation & Amortization: $121,302 in 1982 and $119,424 in 1981.

Assets

As of Feb. 28		1982		1981
Cash	$	388,729	$	111,695
Accts. receiv., net		790,870		843,433
*Inventories		1,014,551		1,113,705
Prepaid expenses & deferred charges		18,736		22,354
Current Assets	$	2,212,886	$	2,091,187
#Fixed assets		722,300		802,115
Other assets		22,996		27,288
Total Assets	$	2,958,182	$	2,920,590

Liabilities

Long-term debt-curr.	$	36,526	$	34,386
Accts. payable		225,359		196,066
Accruals		128,844		117,992
Income taxes		82,673		255,468
Curr. Liabilities	$	473,402	$	603,912
Lease obligations		388,807		424,513
Install. loans payable		—		953
Defer. inc. taxes		40,000		25,000
+Common stock		297,975		297,975
Add. paid-in capital		413,529		413,529
Retained earnings		1,421,169		1,231,408
Treasury stock		(76,700)		(76,700)
Total Liabilities & Shareholders' Equity	$	2,958,182	$	2,920,590

* At lower cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.43	14.44
%Net Income to Sales	6.08	8.63
%Net Income to Equity	14.95	23.72
Sales to Inventories	4.99	4.61
Working Capital	$1,739,484	$1,487,275
Current Ratio	4.67	3.46
Shareholders' Equity	$2,055,973	$1,866,212

RMS Electronics, Inc.

50 Antin Place
Bronx, New York 10462
(212) 892-6700

Officers: Arthur A. Fink, chairman of the board, chief executive officer & treasurer; Donald Edelman, president & chief operating officer; Kerwin McMahon, sr. v.p.-marketing; Dominick Padilla, v.p.-operations; Reynaldo Perez, v.p.-CATV Division; Gunther Diefes, v.p.-engineering; Albert Goldstein, v.p.-Distributor Division; J. Robert Siegel, v.p.-Kenyon Magnetics; Jessie A. Ellis, secretary; Harry Bogatch, controller.

Directors: Myron Cohen, Jessie A. Ellis, Arthur A. Fink, William J. Barrett, Herbert M. Gardner, Kenneth Frank, Donald Edelman, Harry Bogatch.

Areas of Work: Designs, manufactures, imports and distributes television antennas, antenna hardware, Radio Frequency (RF) passive devices, transformers, accessories and related products for the consumer market, the cable antenna television systems (CATV) market and for other communication markets including Master Antenna Television Systems (MATV). Also manufactures a line of stand-by power supplies for the cable TV industry.

Subsidiaries:

Poleline Corporation
Markets hardware for cable systems, telephone companies and other communications.

Kenyon Magnetics, Inc.
Manufactures transformers and other allied products.

Acquisition(s):

Kenyon Magnetics, Inc. (May 1981)

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, N.J. 07016

Stock Exchange(s): American

Ticker Symbol: RMS

Sales and Earnings

	Net Sales	Net Income
1981	$ 24,829,000	$ 959,000
1980	19,381,458	1,216,052
1979	13,545,815	781,141
1978	7,904,952	314,164
1977	6,187,945	205,016

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,591,410	$ 0.60
1980	1,379,867	0.88
1979	1,194,686	0.65
1978	1,161,759	0.27
1977	1,137,543	0.18

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	3-for-2
1979	—	10%	—
1978	—	—	—
1977	—	—	1-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 7,833,396	$ 4.92
1980	5,945,153	4.11
1979	2,191,213	2.00
1978	1,320,215	1.27
1977	987,938	0.99

‡ Adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 24,899,945	$ 19,476,453
Cost of sales	17,394,382	13,192,331
Expenses	4,316,846	3,149,586
Interest expense	1,136,662	636,891
Depreciation	154,412	80,694
Income before taxes	$ 1,897,643	$ 2,416,951
Income taxes	938,184	1,200,899
Net Income	$ 959,459	$ 1,216,052

* Included in Costs and Expenses, Depreciation and Amortization: $169,226 in 1981 and $80,694 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 685,539	$ 1,292,998
Accts. & notes receiv., net	4,495,868	3,499,107
*Inventories	11,119,640	6,029,512
Prepaid exp. & other assets	552,335	191,303
Misc. receiv.	163,689	153,824
Current Assets	$ 17,017,071	$ 11,166,744
#Fixed assets	1,401,431	1,054,394
Other assets	254,056	408,157
Total Assets	$ 18,672,558	$ 12,629,295

Liabilities

	1981	1980
Notes payable	$ 6,000,000	$ 1,500,000
Long-term debt, curr.	144,371	44,785
Accts. payable	1,547,694	813,592
Accruals	488,103	523,738
Income taxes	187,998	313,521
Curr. Liabilities	$ 8,368,166	$ 3,195,636
Long-term debt	2,470,996	3,488,506
+Common stock	127,787	115,640
Add. paid-in capital	4,464,267	3,556,974
Retained earnings	3,241,342	2,272,539
Total Liabilities & Shareholders' Equity	$ 18,672,558	$ 12,629,295

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.08 par value.

Statistical Summary

	1981	1980
%Income before Taxes to Sales	7.62	11.14
%Net Income to Sales	3.85	6.27
%Net Income to Equity	12.25	20.45
Sales to Inventories	2.24	3.21
Working Capital	$8,648,905	$7,971,108
Current Ratio	2.03	3.49
Shareholders' Equity	$7,833,396	$5,945,153

Robertshaw Controls Company

1701 Byrd Avenue
Richmond, Virginia 23261
(804) 281-0700

Mailing address:

P.O. Box 26544
Richmond, Virginia 23261

Officers: David P. Reynolds, chairman of the board; Ralph S. Thomas, president & chief executive officer; Dean R. Dennis, sr. v.p.-Appliance Controls; Arnold C. Hansen, sr. v.p.-quality assurance; Joseph A. Howell, Jr., sr. v.p. & general counsel; O.V. Pope, sr. v.p.; Kenneth T. Atherholt, v.p. & gen. mgr.-Industrial Instrumentation Division; Milo J. Bowen, v.p. & gen. mgr.-Milford Division; John P. Carr, v.p.-marketing, Industrial Instrumentation Marketing Group; Ralph L. Caplan, v.p.-director of corp. purchasing & national sales office manager; George H. Crock, v.p. & asst. gen. mgr.-New Stanton Division; Patrick H. Diamond, v.p.-finance; Donnell H. Fox, v.p. & gen. mgr.-Uni-Line Division; J. Paul Hines, v.p. & president-New England Instrument Company; Anzville Jackson, Jr., v.p.-technology & chief patent counsel; I.O. Johnson, v.p. & gen. mgr.-Fulton Sylphon Division; Jules M. Kabat, v.p. & gen. mgr.-Integrated Systems Division; Kenneth L. LeGrand, v.p. & gen. mgr.-Simicon Division; John Laskey, III, v.p. & gen. mgr.-international operations; Robert W. Pendergast, v.p.-financial & public relations; Charles H. Perkins, v.p. & gen. mgr.-Lux Time Division; Richard S. Reynolds, III, v.p.-mergers & acquisitions; Harold N. Robinson, v.p. & controller; Kenneth W. Whittington, v.p. & gen. mgr.-Control Systems Division; Joseph Bandrofchek, treasurer; Robert E. Sweeney, secretary & general attorney.

Directors: David P. Reynolds, chairman, Patrick H. Diamond, William S. Lombardi, Arnold C. Hansen, Ross R. Millhiser, R.S. Reynolds, III, Joseph A. Howell, Jr., Ralph S. Thomas*, J. Paul Hines, O.V. Pope, I.O. Johnson, John M. McGurn, Paul E. Reichardt, John E. Blomquist, Frank G. Louthan, Jr.

* Member of Executive Committee.

Areas of Work: Engaged in the manufacture of automatic controls and control systems for industry, commercial buildings and the home. Products include controls for regulating and measuring temperature and pressure, for heating and cooling, for appliances, for transportation, for industrial processes and systems and instrumentation for other precise control requirements.

Divisions:

Industrial Instrumentation Division
333 N. Euclid Way
Anaheim, California 92803
(714) 535-8151
Industrial products include water pollution control equipment; transmitters, recorders, precision controllers; vibration malfunction detectors, capacitance-type level and bulk measuring control instruments. Oxygen products include miniature regulators, passenger and crew oxygen breathing systems, medical resuscitation equipment and related components.

Ellijay Division
Ellijay, Georgia 30540
(404) 635-7951
Components of gas ranges are produced by this division. Products include gas valves, pressure regulators, burners, manifolds and other accessories.

El Paso Division
320 N. Clark Drive
El Paso, Texas 79905
(919) 593-4111
Manufacturer of automatic temperature control devices.

Fulton Sylphon Division
2318 Kingston Pike S.W.
Knoxville, Tennessee 37901
(615) 546-0550
Heating and ventilating controls; process controls, engine control systems, valves, seals, pressure gauges, metal bellows and bellows assemblies; automobile thermostats, aircraft and missile controls.

Grayson Controls Division
100 W. Victoria Street
Long Beach, California 90805
(213) 663-8301
Controls for appliances and heating equipment.

Indiana Division
Indiana, Pennsylvania 15701
(412) 349-1500
Controls for electric appliances are produced by this division, including oven and top-surface controls for ranges and controls for clothes dryers, baseboard and space heaters. Pressure switches for laundry and sump pump applications. Also, infinite and water heater controls. Line voltage electric heat wall thermostats. A complete line of precision snap action electric switches.

Lux Time Division
1307 West Main Street
Lebanon, Tennessee 37087
(605) 444-3321

Industrial Drive
Carthage, Tennessee 37030
(615) 735-1770
Electric and mechanical timing mechanisms for kitchen and laundry appliances; electric, battery-operated and mechanical clocks and timers; industrial timing devices.

Integrated Systems Division
1928 Western Avenue
Las Vegas, Nevada 89102
(702) 382-8494
Manufactures and markets electronic room status and control systems for hotels, motels and related structures. Also manufactures fire and security systems for commercial buildings.

Milford Division
155 Hill Street
Milford, Connecticut 06460
(203) 878-1721
Air conditioning and refrigeration controls; solid state motor protection systems, and electronic environmental control systems. Hydraulically-formed and precision welded bellows and bellow assemblies for appliance controls and aircraft engine controls.

Robertshaw Controls Company

New Stanton Division
Youngwood, Pennsylvania 15697
(412) 925-7211

Gas and electric controls for domestic and commercial cooking appliances.

Fallbrook Division
1375 S. Mission Road
Fallbrook, California 92028
(714) 728-6141

Controls for electric home heating systems, including time delay switches, control relays and current sensing relays.

Simicon Division
942 Brooks Avenue
Holland, Michigan 49423
(616) 396-1467

Solid state safety controls for oil furnaces; air-conditioning time delays and power supply transformers.

International Marketing Division
1701 Byrd Avenue
Richmond, Virginia 23261
(804) 282-9561

Markets controls produced by U.S. divisions and foreign subsidiaries.

Uni-Line Division
4190 Temescal Street
P.O. Box 2000
Corona, California 91720
(714) 734-2600

Wholesale distribution of gas, electric, and pneumatic controls and accessories to the plumbing refrigeration, appliance, heating and air-conditioning industries.

New England Instrument Company
Natick, Massachusetts

A leading manufacturer of precision potentiometers and position, temperature and pressure sensors with broad application for the industrial and transportation industries.

Subsidiaries:

Robertshaw International Sales Company
Richmond, Virginia

Robertshaw Controls (Canada) Ltd.
Toronto, Ontario, Canada

Lux Time (Canada) Limited
Oakville, Ontario, Canada

Controles Robertshaw Do Brasil, S.A. (64.3% owned)
Caxias do Sul, Brazil

Robertshaw Orient, Ltd. (74.3% owned)
Tokyo, Japan

Robertshaw Controls (Australia) Pty., Ltd.(69% owned)
Pendle Hill, N.S.W., Australia

Robertshaw Europa N.V.
Amsterdam, The Netherlands

Compagnie Europeenne des Thermostats, S.A. (C.E.T.)
Reims, France

Precision S.A. (affiliate)
Mexico City, Mexico

Transfer Agent(s):

First & Merchants National Bank
Richmond, Virginia

Stock Exchange(s): New York

Ticker Symbol: ROF

Number of Employees:

1981	8,748	1978	10,522
1980	9,566	1977	10,594
1979	10,077		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 351,565,000	$ 7,901,000
1980	349,030,000	10,182,000
1979	327,308,000	8,617,000
1978	303,657,000	12,475,000
1977	289,252,000	8,752,000

	No. of Com. Shares	Earn. per Share † +
1981	3,515,853	$ 2.25
1980	3,509,091	2.61
1979	3,907,920	2.20
1978	3,904,931	3.20
1977	3,893,985	2.25

† Including extraordinary loss of $2,559,000 ($0.66 per share) in 1979.

+ Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Temperature controls for homes & commercial buildings	$ 163,380	$ 176,883
Controls for home appliances	110,791	104,752
Industrial controls & instrumentation	75,589	77,200
Transportation consumer & other	54,510	47,510
Adjustments & eliminations	(52,705)	(57,315)
Total	$ 351,565	$ 349,030

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.40	—	—
1979	1.30	—	—
1978	1.20	—	—
1977	1.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 110,174,000	$ 31.34
1980	108,260,000	30.85
1979	113,052,000	28.93
1978	109,453,000	28.03
1977	101,493,000	26.06

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 351,565,000	$ 349,030,000
Other income	3,003,000	5,583,000
Total Income	$ 354,568,000	$ 354,613,000
Cost of sales	276,991,000	280,523,000
Expenses	55,590,000	52,342,000
Interest expense	9,074,000	6,166,000
Income before taxes	$ 12,913,000	$ 15,582,000
Income taxes	5,012,000	5,400,000
Net Income	$ 7,901,000	$ 10,182,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,647,000 in 1981 and $7,917,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 4,908,000	$ 4,509,000
Receiv., net	72,903,000	77,677,000
*Inventories	67,369,000	58,479,000
Prepaid expenses	4,976,000	4,277,000
Current Assets	$ 150,156,000	$ 144,942,000
Investments	12,931,000	13,616,000
#Fixed assets	54,473,000	56,201,000
Intangibles	2,785,000	3,385,000
Total Assets	$ 220,345,000	$ 218,144,000

Liabilities

Notes payable	$ 6,000,000	$ 17,300,000
Long-term debt, curr.	3,364,000	2,106,000
Accts. payable	13,199,000	14,410,000
Accruals	20,247,000	23,454,000
Income taxes	451,000	3,662,000
Curr. Liabilities	$ 43,261,000	$ 60,832,000
Long-term debt	61,255,000	43,835,000
Deferred inc. taxes	5,655,000	5,217,000
+Common stock	3,924,000	3,917,000
Add. paid-in capital	17,587,000	17,442,000
Retained earnings	99,687,000	96,706,000
For. curr. trans. adjust.	(1,219,000)	—
Treasury stock	(9,805,000)	(9,805,000)
Total Liabilities & Shareholders' Equity	$ 220,345,000	$ 218,144,000

* At lower of cost (generally LIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.67	4.46
%Net Income to Sales	2.25	2.92
%Net Income to Equity	7.17	9.41
Sales to Inventories	5.22	5.97
Working Capital	$106,895,000	$ 84,110,000
Current Ratio	3.47	2.38
Shareholders' Equity	$110,174,000	$108,260,000

Robins Industries Corp.

75 Austin Boulevard
Commack, New York 11725
(516) 543-5200

Officers: Herman D. Post, president; Stuart J. Caine, v.p.-Sales Distributor Div.; Jacob Friedland, v.p.-Sales OEM Division; Blanche S. Post, secretary.

Directors: Herman D. Post, Blanche S. Post, Richard Felix, Lloyd Mathers, Donald D. MacAlpine, Walter V. Ronner.

Areas of Work: Engaged in the production and marketing of accessories for the tape recording, audio and hi-fi fields, data processing and communication fields. Products include tape splicers, demagnetizers, winders, encoders, record cleaners, patch cords. etc.

Subsidiaries:

Robins Overseas Corp. (DISC)
Export of Robins' products.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RBBI

Number of Employees:

1980	125	1978	100
1979	125		

Plant Footage:

1980	50,800 sq. ft.	1978	50,000
1979	50,800		

Sales and Earnings

	Net Sales	Net Income
1980	$ 3,580,192	$ 82,340
1979	3,058,694	146,326
1978	3,287,037	103,879
1977	3,218,940	179,561
1976	2,777,979	42,381

	No. of Com. Shares	Earn. per Share ‡
1980	321,198	$0.25
1979	330,538	0.44
1978	337,669	0.30
1977	351,923	0.51
1976	357,884	0.12

‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1980	$ 2,032,657	$6.33
1979	1,988,143	6.01
1978	1,870,365	5.54
1977	1,844,203	5.24
1976	1,669,261	4.66

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 3,580,192	$ 3,058,694
Cost of sales	2,671,680	2,150,462
Expenses	953,770	734,290
Mics.	23,525	(5,852)
Royalty income	(90,040)	(49,187)
Invest. income	(21,555)	(21,365)
Interest expense	3,064	12,520
Loss on invest.	19,708	17,000
Income before taxes	$ 77,090	$ 220,826
Income taxes (credit)	(5,250)	74,500
Net Income	$ 82,340	$ 146,326

* Included in Costs and Expenses, Depreciation and Amortization: $102,261 in 1980 and $94,839 in 1979.

Assets

As of Dec. 31	1980	1979
Cash	$ 350,620	$ 162,780
Invest. in mutual bond fund	—	159,753
Accts. receiv., net	420,910	352,682
*Inventories	732,062	793,067
Refundable taxes	80,968	—
Prepaid expenses & other assets	20,841	35,180
Current Assets	$ 1,605,401	$ 1,503,462
# Fixed assets	1,037,646	980,543
Other assets	171,198	230,200
Total Assets	$ 2,814,245	$ 2,714,205

Liabilities

Long-term debt, curr.	$ 64,900	$ 42,819
Accts. payable	187,555	171,905
Accruals & other liabilities	71,879	60,343
Income taxes	25,217	68,559
Curr. Liabilities	$ 349,551	$ 343,626
Long-term debt	432,037	382,436
+ Common stock	40,600	40,600
Add. paid-in capital	362,802	362,802
Retained earnings	1,855,325	1,772,985
Unrealized loss on marketable securities	(56,600)	(46,500)
Treasury stock	(169,570)	(141,744)
Total Liabilities & Shareholders' Equity	$ 2,814,245	$ 2,714,205

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.22
%Net Income to Sales	2.30	4.78
%Net Income to Equity	4.05	7.36
Sales to Inventories	4.89	3.86
Working Capital	$ 1,255,850	$ 1,159,836
Current Ratio	4.59	4.38
Shareholders' Equity	$ 2,032,657	$ 1,988,143

Robinson-Halpern Company

One Apollo Road
Plymouth Meeting, Pennsylvania 19462
(215) 825-9200

Officers: Ivan E. Robinson, chairman of the board, president & treasurer; Ruth M. Currier, secretary.

Directors: Ivan E. Robinson, chairman; Walter Friedrich, William F. Hamilton.

Areas of Work: Design, manufacture and sale of electronic instrumentation for measurement and control of pressure, temperature and displacement. The primary products are transducers.

Transfer Agent(s):
Provident National Bank
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RHAL (NASDAQ)

Plant Footage:

1981	20,000 sq. ft.	1978	20,000
1980	20,000	1977	20,000
1979	20,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,394,179	$ 42,601
1980	2,036,614	30,375
1979	1,667,411	(8,494)
1978	1,783,713	23,289
1977	1,740,316	36,238

	No. of Com. Shares †	Earn. per Share
1981	289,175	$ 0.15
1980	289,175	0.11
1979	301,570	—
1978	333,765	0.07
1977	361,175	0.10

(Loss)
† Weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 1,111,249	$ 3.84
1980	1,068,648	3.70
1979	1,038,273	3.44
1978	1,114,434	3.34
1977	1,111,528	3.08

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	4/30/81	4/30/80
Net sales	$ 2,394,179	$ 2,036,614
Cost of sales	1,595,464	1,360,139
Expenses	673,731	569,287
Interest expense	72,283	66,113
Income before taxes	$ 52,701	$ 41,075
Income taxes	10,100	10,700
Net Income	$ 42,601	$ 30,375

* Included in Costs and Expenses, Depreciation and Amortization: $43,502 in 1981 and $43,283 in 1980.

Assets

As of	4/30/81	4/30/80
Cash	$ 50,737	$ 15,425
Accts. receiv., net	303,698	444,411
*Inventories	668,478	734,837
Prepaid expenses	54,851	38,399
Current Assets	$ 1,077,764	$ 1,233,072
#Fixed assets	526,081	481,327
Other assets	1,319	87
Defer. charges & intangibles	264,487	248,656
Total Assets	$ 1,869,651	$ 1,963,142

Liabilities

Notes payable	$ 85,000	$ 150,000
Long-term debt, curr.	68,484	50,000
Accts. payable	128,235	218,543
Accrued liabilities	120,421	116,330
Income taxes	5,900	10,780
Curr. Liabilities	$ 408,040	$ 545,653
Long-term debt	350,362	348,841
+Common stock	38,720	38,720
Add. paid-in capital	947,935	947,935
Retained earnings	244,024	201,423
Treasury stock	(119,430)	(119,430)
Total Liabilities & Shareholders' Equity	$ 1,869,651	$ 1,963,142

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.10 stated value.

Statistical Summary

%Income bef. Taxes to Sales	2.20	2.02
%Net Income to Sales	1.78	1.49
%Net Income to Equity	3.83	2.84
Sales to Inventories	3.58	2.77
Working Capital	$ 669,724	$ 687,419
Current Ratio	2.64	2.26
Shareholders' Equity	$1,111,249	$1,068,648

ROCKOR Inc.

York Center
Redmond, Washington 98052
(206) 885-5000

Officers: George S. Sutherland, chairman & chief executive officer; Bernard F. Beckelman, president & chief operating officer; Robert G. Sanderson, vice president-finance & treasurer; Kevin P. Teismann, secretary & general counsel.

Directors: George S. Sutherland, chairman; Bernard F. Beckelman, Marvyn Carton, Wallace Birnbaum, Curtis P. Lindley, Joan Claybrook, Richard W. Pershing, James G. McCurdy, Moritz Milburn, Hugo E. Oswald, Jr., E. Hornsby Wasson.

Areas of Work: Develops, designs, manufactures, and sells monopropellant hydrazine rocket engines, energy systems (principally high voltage generators and particle accelerators), data collection equipment (principally fault reporting and monitoring equipment), explosive systems for the stimulation of gas and oil wells, heating systems using geothermal and cogeneration systems, power control systems for aircraft, power conversion for transport systems.

Divisions and Subsidiaries:

Pulsar Products, Inc.
2949 Whipple Road
Union City, California 94587
(415) 487-5400

Produces a broad line of pulsed high voltage generators, fiber optic diagnostic and control equipment and high voltage electronics.

Rocket Research Company
York Center
Redmond, Washington 98052
(206) 885-5000

Rocket engines and propulsion systems; gas generators; automotive products; chemical technology; energy R & D; manufacturing/test services.

Physics International Company
2700 Merced Street
San Leandro, California 94577
(415) 357-4610

Engaged in the production of pulsed power systems, piezoelectric actuators, advanced computer codes, and nuclear weapons effects simulators. Also engaged in shock dynamics research, fusion power research, and nuclear weapons effects testing and analysis.

Larse Corporation
4600 Patrick Henry Drive
Santa Clara, California 95050
(408) 988-6600

ROCKOR Inc.

Engaged in the design and production of digital communication and status monitoring equipment, computer-based fault reporting and control systems for the telecommunications industry, and fire and burglar alarm systems.

Petroleum Technology Corporation
York Center
Redmond, Washington 98052
(206) 885-5000

Engaged in the production of oil and gas well explosive simulation systems and underground explosive fracturing for resource extraction.

Pacific Electro Dynamics, Inc.
14229 S.E. Eastgate Way
Bellevue, Washington 98007
(206) 747-7400

Produces different electronic sevices for power supply audio systems, and ground support equipment in commercial and military aircraft.

Trans Energy Systems
14711 N.E. 29th Place
Bellevue, Washinton 98007
(206) 885-5000

Designs energy systems using cogeneration, geothermal, and solid waste energy.

Transfer Agent(s):

Seattle-First National Bank
Seattle, Washington

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ROCK (NASDAQ)

Number of Employees:

1981	1,000	1978	780
1980	1,100	1977	700
1979	800		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 59,201,000	$ 2,354,000
1980	53,044,000	3,238,000
1979	39,735,000	2,749,000
1978	34,497,000	2,257,000
1977	27,062,928	1,737,860

	No. of Com. Shares	Earn. per Share ‡#
1981	4,103,000	$ 0.57
1980	3,765,000	0.82
1979	3,618,000	0.72
1978	3,570,000	0.60
1977	3,502,678	0.48

‡ Including extraordinary gains of $1,009,000 ($0.26 per share) in 1980, $1,220,000 ($0.32 per share) in 1979, $1,013,000 ($0.27 per share) in 1978, and $767,000 ($0.21 per share) in 1977.

# Based on the weighted average number of shares outstanding.

* Included in Costs and Expenses, Depreciation and Amortization: $1,802,000 in 1981 and $1,252,000 in 1980.

Revenues By Line of Business

	1981	1980
Aerospace & defense	$ 43,183,000	$ 38,651,000
Telecommunications	5,529,000	5,079,000
Explosive systems	5,573,000	5,561,000
Other	4,916,000	3,753,000
Total	$ 59,201,000	$ 53,044,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 28,537,000	$ 6.96
1980	24,515,000	6.51
1979	20,471,000	5.66
1978	17,493,000	4.90
1977	14,979,353	4.27

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 59,201,000	$ 53,044,000
Cost of sales & expenses	54,129,000	49,316,000
Interest expense	1,147,000	304,000
Income before taxes	$ 3,925,000	$ 3,424,000
Income taxes	1,571,000	1,195,000
Net Income	$ 2,354,000	$ 2,229,000
Extraord. gain	—	1,009,000
Net Income & Extraord. Gain	$ 2,354,000	$ 3,238,000

Assets

As of Oct. 31	1981	1980
Cash	$ 6,078,000	$ 621,000
Accts. receiv., net	18,429,000	16,939,000
*Inventories	6,960,000	5,835,000
Prepaid exp. & deposits	298,000	468,000
Current Assets	$ 31,765,000	$ 23,863,000
#Fixed assets	13,905,000	10,404,000
Other assets	8,831,000	7,468,000
Total Assets	$ 54,501,000	$ 41,735,000

Liabilities

Notes payable	$ —	$ 775,000
Accts. payable	5,875,000	6,038,000
Long-term debt, curr.	1,123,000	252,000
Acccrued payroll & other liabilities	4,113,000	4,291,000
Curr. Liabilities	$ 11,111,000	$ 11,356,000
Long-term debt	13,175,000	5,315,000
Deferred income taxes	984,000	—
Excess of net assets over price of subs.	235,000	262,000
Minority interest	459,000	287,000
+Common stock	20,821,000	19,145,000
Retained earnings	7,724,000	5,370,000
Treasury stock	(8,000)	—
Total Liabilities & Shareholders' Equity	$ 54,501,000	$ 41,735,000

* At lower of average cost or estimated realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income before Taxes to Sales	6.63	6.46
%Net Income to Sales	3.98	4.20
%Net Income to Equity	8.25	9.09
Sales to Inventories	8.51	9.09
Working Capital	$20,654,000	$12,507,000
Current Ratio	2.86	2.10
Shareholders' Equity	$28,537,000	$24,515,000

Rockwell International Corporation

600 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 565-2000

Officers: Robert Anderson, chairman of the board & chief executive officer; Donald R. Beall, president & chief operating officer; Martin D. Walker, sr. v.p. & president-Automotive; Kent M. Black, v.p. & president-Commercial Electronics; William C. Bousquette, v.p.-corporate finance-controls; Lee H. Cramer, treasurer; Robert A. DePalma, v.p.-finance & chief financial officer; J.A. Earley, v.p.-corporate development; Richard W. Fosen, v.p.-international; Kenneth B. Gay, v.p.-purchasing; William J. Hamilton, Jr., v.p. & president-General Industries; Bastian Hello, v.p. & president-North American Aircraft; George W. Jeffs, v.p. & president-North American Spaces; Lawrence J. Komatz, controller; Edward A. Lorenz, v.p.-operations; James A. McDivitt, v.p.-strategic management; Carl J. Olen, v.p.-personnel; Samuel Petok, v.p.-communications; John J. Roscia, v.p. & general counsel; C.E. Ryker, v.p.-corporate finance-major programs; Charles C. Stoops, Jr., general tax counsel; W.F. Swanson, Jr., secretary, staff v.p. & associate general counsel; Donald J. Yockey, v.p. & president-defense electronics; E.N. Yost, general auditor.

Directors: Robert Anderson, chairman; Donald R. Beall, Robert A. DePalma, Robin Chandler Duke, Fred L. Hartley, J. Clayburn LaForce, Jr., Frederick G. Larkin, Jr., William H. Muchnic, Henry T. Mudd, Bruce M. Rockwell, S. Kent Rockwell, W.F. Rockwell, Jr., William R. Roesch, William A. Seifert, Jr., Ross D. Siragusa, Jr., William S. Sneath, Joseph F. Toot, Jr., Martin D. Walker, Robert E. Seymour.

Areas of Work: The Company is a multi-industry company applying advanced technology to a wide range of products in its automotive, aerospace, electronics and general industries businesses. In Fiscal 1981, 42% of Rockwell's total sales were under U.S. government contracts and subcontracts. Foreign production, mainly in Canada and Europe, accounted for 11% of total sales in 1981. The Company is organized into four business segments: Automotive, Aerospace, Electronics and General Industries. These businesses are further divided into about 50 divisions in the U.S. and overseas.

Automotive

Automotive Operations' principal business is the manufacture and sale of various proprietary components for heavy-duty vehicles used on and off the highway. Automotive Operations designs and manufactures a broad line of axles for heavy-duty applications for on- and off-highway vehicles, including single and tandem drive axles, driving and non-driving front axles, trailer axles, rigid and steering planetary axles and driving steering axles. The Operations designs and manufactures a complete line of heavy-duty brakes and brake assemblies and components for use in the transportation, construction, mining, agriculture, forestry and industrial fields. The Operations also manufactures and sells special drives and transmissions, universal joints and drivelines, gear boxes, springs and plastic hood, door and fender assemblies for these vehicles. Approximately 80% of the Operations' sales in fiscal 1981 were of components for medium- and heavy-duty vehicles (such as trucks, buses and trailers) and components for heavy-duty off-highway and special purpose vehicles (used in roadbuilding and other heavy construction, mining, forestry and agriculture).

The Automotive Operations also manufactures and sells drivelines, springs and plastic components and accessories for light trucks and passenger cars, and steel and case aluminum wheels, wheel covers, sun roofs, window regulators, door latches and door locking systems for passenger cars. In addition, the Operations manufactures and sells large steel castings, including those used in military cast armor programs and diesel locomotives.

The Company's automotive products are nearly all sold directly to manufacturers of original equipment, many of which are also competitors in that they produce for their own use many of the products manufactured by the Automotive Operations.

Automotive Operations
2135 West Maple Road
Troy, Michigan 48084
(313) 435-1000

Rockwell Standard of Australia Ltd.
Melbourne, Australia

Wilmot Breeden (Australia) Pty. Ltd.
Preston, Australia

Rockwell do Brasil Industria e Commercio Ltda.
Limeira, Brazil

Rockwell International of Canada, Ltd.
Bracebridge, Chatham, Gananoque, Lacolle, Milton,
Tilbury, Canada

Compagnie Industrielle de Mecanismes S.A.
Paris, Rupt sur Moselle, Saint Die, Sully sur
Loire, Thury-Harcourt, France

Rockwell International S.A.
Rungis, France

Rockwell Golde GmbH
Alzenau, Frankfurt, West Germany

Rockwell Golde Italiana SpA
Como, Italy

Rockwell International Manufacturing Pte. Ltd.
Singapore

Rockwell-Maudslay Limited
Alcester, U.K.

Wilmot Breeden Limited
Birmingham, U.K.

Teleboist Limited
Cheltenham, U.K.

A.C.S. Engineering Limited
Nottinghamshire, U.K.

Rockwell Thompson Limited
Wolverhampton, U.K.

Aerospace

Aerospace Operations' principal space activity is the Space Shuttle program for the National Aeronautics and Space Administration (NASA). The Space Shuttle is a reusable space transportation system for delivery of payloads into near-earth orbit and is to provide an orbital launch platform for other spacecraft and a capability for satellite and space vehicle retrieval, maintenance and repair. The Space Transportation & Systems Group is prime contractor of the Space Shuttle orbiter and is providing program integration. The production contract currently provides for the building of four operational shuttle craft (one of which, the Columbia, has successfully completed two missions, and three of which are still in production). The Rocketdyne Division is the prime contractor which developed and is producing the main engines of the orbiter. In addition, the Space Operations/Integration & Satellite Systems Division is providing planning, site activation, and mission support services for the Space Shuttle program at the Kennedy Space Center and at the Western Test Range, Vandenberg Air Force Base, California. These programs are being performed under cost-type contracts funded on an incremental basis.

The Space Operations/Integration & Satellite Systems Division is working on the development of the NAVSTAR Global Positioning System for the United States Department of Defense. This system is expected to use 28 NAVSTAR satellites which will provide precise navigation information to users throughout the world. The Division has developed the eleven experimental satellites and has begun work on the first production qualification satellite which could lead to a contract to produce the 28 planned operational satellites.

The Rocketdyne Division is working under a United States Air Force contract for the full-scale engineering development of the fourth stage (including engines, structures and propellant systems) of the MX missile, the successor to the Minuteman intercontinental ballistic missile. The Rocketdyne Division also develops and manufactures large liquid rocket engines for space and military applications, small rocket engines for altitude and reentry control and water-jet propulsors. The Division also engages in various research and development activities including laser programs.

On October 2, 1981 the President announced the Administration's decision to deploy 100 B-1B long-range combat aircraft, an advanced version of the B-1 bomber which was developed by the North American Aircraft Operations for the United States Air Force. The Operations is now involved in extensive planning for full-scale development and production of the aircraft under a limited funds contract. Negotiations for the full-scale development and production contracts, which are expected to be fixed-price incentive type, are currently being conducted. The Tulsa Division continued to produce major structural components of the Boeing 747 jetliner and began delivery of fuselage sections for the new Boeing 757 jetliner. During the 1981 fiscal year, 35 Sabreliner business jets were delivered.

North American Space Operations
2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

North American Aircraft Operations
2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

Electronics

The defense electronics business provides the United States and foreign governments with high technology electronic equipment and systems for military navigation, communication, command and control, electro-optics, missile systems and other specialized applications. The business manufactures a broad spectrum of radio transceivers for various military applications that range from very low frequency to extremely high frequency. These products are combined with other ancillary items to form integrated command, control and communication systems such as the United States Navy TACAMO aircraft-to-submarine communications system and the United States Air Force Satellite Communications System.

The defense electronics business manufactures guidance and control systems for the Minuteman intercontinental ballistic missile and is the principal supplier of the inertial navigation systems for the Navy's ballistic missile and attack submarine fleets. The business is engaged in work under a United States Air Force contract for the full-scale engineering development of the MX missile flight computer and guidance and control system integration. The business is working on contracts for both ground and airborne high frequency communication equipment for the modernization programs of the United States and NATO forces. The business is also prime contractor for the GBU-15 guided weapon (Pavestrike), which is in production, and the Hellfire anti-tank missile, which is in transition to production.

The commercial electronics business supplies avionics, communications transmission and switching systems, and semiconductor devices to commercial and government customers worldwide. The business supplies communications, navigation, flight control and other avionics systems to the air transport, general aviation and government markets. Major customers include aircraft manufacturers, airlines, private aircraft operators, and the United States and foreign governments. Among its contracts are orders from Boeing for avionic systems and equipment including fully digital autopilot systems for the 757 and 767 aircraft and orders from many general and business aviation aircraft manufacturers for complete avionics systems. The business is also proceeding with the development of the NAVSTAR Global Positioning System user equipment.

The commercial electronics business supplies telecommunications transmission and switching systems and electronic devices to a broad range of customers in the United States and foreign countries. Telecommunications customers include telephone companies, common carriers, governments, corporations and organizations with private communications networks such as airlines, financial institutions and railroads. Sales to these customers are made directly by Company personnel and through distributors. The business also manufactures a broad range of semiconductor devices. It is a supplier of semiconductor device products, telecommunication products and microsystems to telecommunication, business equipment and commercial electronics markets worldwide.

Commercial Electronics Operations
1200 North Alma Road
Richardson, Texas 75081
(214) 996-5000

Defense Electronics Operations
3370 Miraloma Avenue
Anaheim, California 92803
(714) 632-8111

Rockwell-Collins (Australasia) Pty. Limited
Lilydale, Australia

Rockwell do Brasil Industria e Commercia Ltda.
Rio de Janeiro, Brazil

Rockwell International of Canada Ltd.
Georgetown, Toronto, Canada

Rockwell-Collins France S.A.
Toulouse, France

Rockwell-Collins GmbH
Frankfurt, West Germany

Rockwell-Collins (Far East) Limited
Hong Kong

Rockwell Collins Italiana S.p.A.
Pomezia, Italy

Autometica, S.A.
Mexicali, Mexico

Rockwell-Collins de Nogales, S.A.
Nogales, Mexico

Wescom (U.K.) Limited
Bucks, U.K.

Rockwell-Collins (U.K.) Limited
Reading, England

General Industries

Energy

The Flow Control and the Municipal & Utility Divisions manufacture and sell control and measurement equipment for gas, water and other fluids in the energy, utility and construction markets and a broad line of valves used for a variety of applications in nuclear and fossil systems for the energy and power generation markets. Other products include valve lubricants, pipe clamps and couplings. Primary customers for these products are electric, gas and water utilities, oil companies, municipalities and building contractors, as well as chemical companies.

The Energy Systems Group participates in the development of the liquid metal fast breeder reactor, the production of safety equipment for conventional light water nuclear reactors and the decontamination and decommissioning of nuclear facilities. The Group also operates a liquid metal development center for the fast breeder effort of the Department of Energy (DOE) and is active in the development of other alternative energy sources. The Group provides chemical processing, waste management and site support services at the DOE's Hanford Project near Richland, Washington and operates the DOE's Rocky Flats Plant near Denver, Colorado which is engaged in nuclear weapons components manufacturing. The Group is continuing development work under DOE contracts in the coal gasification and liquefaction processes. The Group also supplies commercial desulfurization systems and environmental monitoring systems to utilities and industry.

Graphics, textile and power tool

The Company's Graphic Systems Division manufactures and sells high-speed printing presses and related equipment used principally for printing newspapers. Products include the Metroliner press designed for large metropolitan daily newspapers and the HV, Urbanite and Community presses designed for medium size daily and weekly newspapers and commercial printers. The Division also manufactures and sells automatic mailroom equipment and purchases for resale a line of commercial sheet-fed presses and related equipment.

The Company's textile businesses manufacture, purchase for resale, and sell industrial sewing machines and various looms and loom components for the textile industry. The Power Tool Division manufactures power tools for the general industrial and construction markets. It manufactures stationary industrial tools for both metal and woodworking and pneumatic and specialty tools.

General Industries Operations
400 North Lexington Avenue
Pittsburgh, Pennsylvania 15208
(412) 247-3000

Rockwell do Brasil Industrial e Commercio Ltda.
Limeira, Sao Paulo, Brazil

Rockwell-Rimoldi France S.A.
Boulogne, France

Rockwell Systemes Graphiques, S.A.
Paris Trance

Rockwell Valves, S.A.
Unieux, France

Rockwell Graphic Systems, Inc.
Obertshausen, West Germany

Rockwell-Rimoldi GmbH
Reutlingen, West Germany

Draper-Erin Limited
Limerick, Ireland

Rockwell-Rimoldi S.p.A.
Milan, Olcella, Italy

Draper de Mexico, S.A. de C.V.
Mexico City, Mexico

Rockwell-Rimoldi Espanola S.A.
Barcelona, Spain

Rockwell-Rimoldi (Great Britain) Limited
Leicester, U.K.

Rockwell Graphic Systems Limited
Preston, U.K.

Rockwell International Corporation

Transfer Agent(s):

Mellon Bank, N.A. (common stock; $4.75 convertible preferred, Series A; $1.35 convertible preferred, Series B)
Mellon Square
Pittsburgh, Pennsylvania 15230
67 Broad Street
New York, New York 10004

The First National Bank of Boston
(common stock & $4.75 convertible preferred, Series A)
Boston, Massachusetts 02102

National Bank of Detroit
Detroit, Michigan 48232

Bank of California
Los Angeles, California 90051

The Royal Trust Company
Toronto, Ontario, Canada M5W 1P9

The First National Bank of Chicago
(common stock; $1.35 convertible preferred, Series B)
Chicago, Illinois 60670

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia, Toronto, Basel, Geneva, Lausanne, Zurich, Frankfurt, London.

Ticker Symbol: ROK

Number of Employees:

1981	103,455	1978	114,208
1980	108,199	1977	115,162
1979	114,452		

Plant Footage:

1981	45,800,000 sq.ft.	1978	52,800,000
1980	49,500,000	1977	52,000,000
1979	50,100,000		

Sales and Earnings

	Net Sales † (000's)	Net Income (000's)
1981	$ 7,039,700	$ 291,800
1980	6,906,500	280,200
1979	6,176,400	261,100
1978	5,308,800	176,600
1977	5,390,500	144,100

	No. of Com. Shares #	Earn. per Share #
1981	75,600,000	$ 3.84
1980	73,700,000	3.77
1979	70,000,000	3.66
1978	68,100,000	2.51
1977	65,500,000	2.09

# Based on weighted average number of shares outstanding adjusted to reflect stock split.
† Of continuing operations only.

Revenues By Line of Business
(000's)

	1981	1980
Automotive operations	$ 1,538,000	$ 1,735,000
Electronics operations: Guidance & control, avionics and telcommunications systems & equipment, devices and calculator products	1,791,000	1,696,000
Aerospace Operations	2,280,000	2,042,000
Energy	535,000	584,000
Graphics, textile & other	896,000	850,000
Total	$ 7,040,000	$ 6,907,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.44	—	—
1980	1.35	—	2-for-1
1979	1.25	—	—
1978	1.10	—	—
1977	1.075	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1981	$ 1,899,300	$ 25.12
1980	1,692,300	22.56
1979	1,449,300	20.27
1978	1,232,200	17.87
1977	1,102,100	16.58

‡ After allowing for Series A and Series B preferred stock at total liquidation value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 7,039,700	$ 6,906,500
Other income	229,400	146,200
Total Income	$ 7,269,100	$ 7,052,700
Cost of sales	5,804,300	5,605,300
Expenses	854,500	874,900
Interest expense	50,400	46,800
Income before taxes	$ 559,900	$ 525,700
Income taxes	268,100	245,500
Net Income	$ 291,800	$ 280,200

* Included in Costs and Expenses, Depreciation: $170,400 in 1981 and $151,800 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 976,700	$ 741,700
Accts. & notes receiv., net	1,188,400	1,046,200
*Inventories	1,085,200	1,175,400
Prepaid expenses	40,000	33,500
Current Assets	$ 3,290,300	$ 2,996,800
Investments	118,900	130,900
#Fixed assets	1,247,000	1,154,000
Other assets	152,700	149,200
Total Assets	$ 4,809,000	$ 4,430,900

Liabilities
(000's)

	1981	1980
Short-term borrowings	$ 23,900	$ 41,400
Accts. payable	493,600	496,900
Adv. pay. from cust.	195,000	213,600
Accrued payroll	227,200	208,300
Accruals	191,000	194,300
Income taxes	167,100	104,200
Deferred inc. taxes	678,800	541,700
Other	458,000	394,900
Curr. Liabilities	$ 2,434,600	$ 2,195,300
Long-term debt	293,400	363,600
Minority interest	4,400	12,200
Deferred inc. taxes	136,900	119,600
+ Preferred stock:		
Series A	800	1,000
Series B	1,200	1,400
+ + Common stock	76,000	75,000
Add. paid-in capital	268,000	255,200
Unrealized loss onto investment	—	(5,000)
Retained earnings	1,593,700	1,412,600
Total Liabilities & Shareholders' Equity	$ 4,809,000	$ 4,430,900

* At lower of cost (average, FIFO or LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	15.04	16.10
Sales to Inventories	6.49	5.88
Working Capital	$ 855,700,000	$ 801,500,000
Current Ratio	1.35	1.37
Shareholders' Equity	$1,939,700,000	$1,740,200,000

Rogers Corporation

One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605

Officers: Norman L. Greenman, president & chief exec. officer; Harry H. Birkenruth, vice president-finance; Richard C. Berry, v.p.-technology; Robert L. Smith, v.p.-personnel; A. David Chesmer, v.p.-engineered products group; Solomon Baker, v.p.-interconnection products group; David P. Bell, treasurer; Howard A. Raphaelson, controller; Richard N. Bail, clerk.

Directors: Harry H. Birkenruth, Richard N. Bail, Carl N. Hansen, John P. Foley, Jr., Norman L. Greenman, Charles A. Myers, Charles F. Spiro, Brage Golding, Leonid V. Azaroff.

Divisions:

Molding Materials Division
Mill and Oakland Streets
Manchester, Connecticut 06040
(203) 646-5500
(203) 643-5162-63

Manufactures fiber-reinforced thermosetting molding materials of phenolic and diallyl phthalate engineering plastics.

Fiberloys Division
One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605

Manufactures RT/duroid and R/flex electrical insulation materials, and GP/duroid ® gasketing materials.

Poron Division
Main Street
E. Woodstock, Connecticut 06244
(203) 928-7931

Manufactures Poron ® PVC and polyurethane shoe lining materials.

Engineered Products Group-Willimantic Division
Route 32
Willimantic, Connecticut 06226
(203) 423-6323

Manufactures Nitrophyl ® carburetor and fuel tank floats, engineered rubber and polyurethane parts and assemblies and Envex ® RT/duroid® high performance plastics.

Engineered Products Group - Atlanta Division
5259 Minola Drive
Lithonia, Ga. 30058
(404) 981-9830

Manufactures high performance plastics and mechanically generated circuits.

Bus Products Division
5750 East McKellips Road
Mesa, AZ 85205
(602) 830-3370

Manufactures Mektron laminar power distribution bus bars, Mini/Bus circuit board bus bars, Quik/Bus conductors, and Strip/Bus bus strips.

Q/PAC Division
5750 East McKellips Road
Mesa, AZ 85205
(602) 830-3370

Manufactures Q/PAC high capacitance power distribution components and Micro/Q decoupling capacitors.

Flexible Circuits Division
Dobson and Williams Field Road
Chandler, AZ 85224
(602) 963-4684

Manufactures flexible circuits and membrane keyboards.

Circuit Materials Division
Dobson and Williams Field Road
Chandler, AZ 85224
(602) 963-4584

Manufactures R/flex materials for flexible circuit substrates and integrated circuit bonding tape carrier materials.

Microwave Materials Division
Dobson and Williams Field Road
Chandlr, AZ 85224
(602) 963-4584

Manufactures RT/duroid laminate materials for microstrip circuits, stripline circuits, and microwave antennas.

Subsidiaries:

Soladyne, Inc.
San Diego, California

Rogers Sales Corporation (DISC)
Rogers, Connecticut 06263
(203) 774-9605

Rogers Mexicana S.A. de C.V.
Agua Prieta, Sonora, Mexico

Mektron, N.V.
188 Afrikalaan
Ghent, Belgium

Mektron GmbH
Holzkirchen, West Germany

Mektron France S.A.
Fresnes and Chateau Gontier, France

Mektron Circuit Systems Ltd.
Leatherhead, United Kingdom

Flex-Key Corporation (80% owned)
18 Sargent Street
Gloucester, Massachusettes

Transfer Agent(s):

Hartford National Bank and Trust Company
Hartford, Connecticut 06115

Stock Exchange(s): American

Ticker Symbol: ROG

Number of Employees:

1981	2,473	1978	2,090
1980	2,520	1977	1,712
1979	2,559		

Plant Footage:

1981	1,044,000 sq.ft.	1978	913,000
1980	996,000	1977	895,000
1979	989,000		

Sales and Earnings
(000's)

	Net Sales #	Net Income
1981	$ 102,982,000	$ 2,629,000
1980	88,093,000	207,000
1979	94,866,000	4,529,000
1978	76,690,000	3,240,000
1977	59,043,000	1,651,000

	No. of Com. Shares +	Earn. per Share †
1981	2,877,002	$ 0.92
1980	2,829,950	0.07
1979	2,748,836	1.70
1978	2,481,370	1.27
1977	2,430,170	0.67

# Of continuing operations only.
+ Adjusted to reflect stock splits.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.12	—	—
1980	0.12	—	—
1979	0.115	—	2-for-1
1978	0.095	—	5-for-4
1977	0.06	—	—

† Adjusted to reflect stock splits.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 32,137,000	$ 11.17
1980	30,495,000	10.78
1979	29,615,000	10.77
1978	20,903,000	8.42
1977	17,615,000	7.25

‡ Restated.

Income Account *

Year ended	1/3/82	12/28/80 ‡
Net sales	$ 102,982,000	$ 88,093,000
Cost of sales	81,133,000	73,419,000
Expenses	18,341,000	16,465,000
Gain on sale of stock	—	(803,000)
Other income	(1,896,000)	(1,976,000)
Interest expense	2,152,000	1,511,000
Income (loss) before taxes	$ 3,252,000	$ (523,000)
Income taxes (credit)	623,000	(1,127,000)
Income from cont. oper.	$ 2,629,000	$ 604,000
Loss from discount oper.	—	(397,000)
Net Income	$ 2,629,000	$ 207,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,979,000 in 1981 and $2,552,000 in 1980.
‡ Restated.

Assets

As of	1/3/82	12/28/80 ‡
Cash & short-term invest.	$ 797,000	$ 836,000
Receiv. from stock sale	—	958,000
Accts. reciev., net	16,134,000	13,899,000
*Inventories	18,510,000	15,881,000
Refund inc. taxes	137,000	2,355,000
Prepayments	1,260,000	1,232,000
Current Assets	$ 36,838,000	$ 35,161,000
Invest. in Amicon Corp.	440,000	317,000
#Fixed assets	34,231,000	31,836,000
Unexpended bond proceeds	1,256,000	2,778,000
Other assets	820,000	515,000
Intangibles	—	247,000
Total Assets	$ 73,585,000	$ 70,854,000

Liabilities

Notes payable	$ 2,095,000	$ 648,000
Long-term debt, curr.	367,000	269,000
Accts. payable	6,822,000	7,635,000
Accruals	1,667,000	1,575,000
Accrued payroll	4,171,000	3,875,000
Accrued interest	652,000	605,000
Income taxes	602,000	843,000
Other taxes	1,511,000	1,135,000
Curr. Liabilities	$ 17,887,000	$ 16,567,000
Long-term debt	19,918,000	20,085,000
Deferred inc. taxes	3,653,000	3,707,000
+Common stock	2,877,000	2,830,000
Add. paid-in capital	16,109,000	15,887,000
Retained earnings	14,063,000	11,778,000
Equity trans. adjust.	(922,000)	—
Total Liabilities & Shareholders' Equity	$ 73,585,000	$ 70,854,000

‡ Restated.
* At lower of cost (standard cost which approx. average actual cost) or market. Materials divisions are valued at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.16	—
%Net Income to Sales	2.55	—
%Net Income to Equity	8.18	0.68
Sales to Inventories	5.56	5.55
Working Capital	$18,951,000	$18,594,000
Current Ratio	2.06	2.12
Shareholders' Equity	$32,127,000	$30,495,000

Rohr Industries, Inc.

P.O. Box 878
Chula Vista, California 92012
(714) 575-4111

Officers: Carl L. Sadler, chairman & chief exec. officer; Harry W. Todd, president & chief operating officer; Paul E. Brunton, sr. v.p.-finance & chief financial officer & treasurer; Stephen J. Rosinski, v.p.-industrial relations; Richard W. Madsen, corp. counsel & secretary; W. Billingslea, asst. corp. counsel & asst. secretary; Gordon Sim, v.p.-program management & technology.

Directors: Carl L. Sadler, Philip A. Ranney, K. Robert Hahn, James J. Kerley, Jack D. Steele, Harry W. Todd.

Areas of Work: Manufactures aircraft engine pods, or nacelles, thrust reversers and other structural and engine components for commercial, military and business aircraft. Also involved in the manufacture of components for large rocket motors and the development of advanced marine vehicles for the United States Navy.

Subsidiary:

Rohr France S.A.
Toulouse, France

Transfer Agent(s):

The First National Bank of Chicago
(common and preferred stock)
Chicago, Illinois

Stock Exchange(s): New York, Pacific

Ticker Symbol: RHR

Number of Employees:

1981	8,576	1978	6,420
1980	9,845	1977	6,344
1979	10,000		

Plant Footage:

1981	3,879,243 sq. ft.	1978	3,272,119
1980	3,725,000	1977	2,090,092
1979	3,610,487		

Sales and Earnings

	Net Sales + ‡ (000's)	Net Income † (000's)
1981	$ 543,918	$ 7,190
1980	480,293	1,025
1979	350,716	22,000
1978	265,358	19,400
1977	226,486	500

	No. of Com. Shares #	Earn. per Share # †
1981	5,224,354	$ 1.21
1980	5,190,413	0.14
1979	4,433,815	4.90
1978	4,151,621	4.60
1977	4,116,461	0.05

+ Includes other income.
‡ Of continuing operations only.
† Including extraordinary gains of $7,000,000 ($1.58 per share) in 1979, $8,900,000 ($2.14 per share) in 1978 and $200,000 ($0.05 per share) in 1977.
# Based on average number of shares outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1981	$ 78,629,875	$ 15.05
1980	73,729,711	14.20
1979	72,639,004	16.38
1978	38,375,700	9.24
1977	18,051,216	4.39

‡ After allowing for preferred stock at aggregate liquidation value.
+ Based on average number of shares outstanding.

Income Account *

Year ended July 31	1981	1980
Net sales & other income	$ 543,918,452	$ 480,292,675
Cost of sales	474,080,354	431,632,973
Expenses	15,220,094	14,242,470
Depreciation & amortization	8,665,755	6,844,784
Interest expense	19,455,546	15,196,958
Misc. taxes	16,958,701	16,848,939
Income (loss) before taxes	$ 9,538,002	$ (4,473,449)
Income taxes (credit)	2,570,000	(3,025,000)
Income (loss) from cont. oper.	$ 6,968,002	$ (1,448,449)
Income from discont. oper.	221,922	2,473,072
Net Income & extraord. gain	$ 7,189,924	$ 1,024,623

Assets

As of July 31	1981	1980
Cash	$ 19,316,693	$ 17,822,776
Accts. receiv., net	87,237,776	99,411,017
*Inventories	132,743,622	151,983,390
Prepaid expenses	4,412,721	6,084,828
Current Assets	$ 243,710,812	$ 275,302,011
#Fixed assets	48,964,570	44,067,824
Other assets & defer. charges	5,297,044	5,663,726
Total Assets	$ 297,972,426	$ 325,033,561

Liabilities

	1981	1980
Long-term debt, curr.	$ 5,106,154	$ 8,503,107
Accts. payable	51,657,980	67,832,766
Accrued payroll	36,706,340	35,780,842
Income taxes	3,495,395	—
Other taxes	2,465,040	2,033,655
Curr. Liabilities	$ 99,430,909	$ 114,150,370
Long-term debt	78,952,000	117,452,000
Other obligations	6,341,580	6,057,480
Conv. subord. deben.	7,500,000	9,000,000
+Redeem. pref. stock	22,500,000	—
++Preferred stock	256,559	258,000
+++Common stock	5,208,485	5,179,706
Add. paid-in capital	42,433,320	43,896,759
Retained earnings	35,349,573	29,039,246
Total Liabilities & Shareholders' Equity	$ 297,972,426	$ 325,033,561

* At lower of average cost or estimated realizable market.
# Less accumulated depreciation.
+ $1 par value; $3.125 cumulative convertible.
+ + $1 par value; $1.08 cumulative convertible.
+ + + $1 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	8.64	1.31
Working Capital	$144,279,903	$389,452,381
Current Ratio	2.45	2.41
Shareholders' Equity	$ 83,247,937	$ 78,373,711

ROLM Corporation

4900 Old Ironsides Drive
Santa Clara, California 95050
(408) 988-2900

Officers: M. Kenneth Oshman, president; Robert R. Maxfield, Leo Chamberlain, executive vice presidents; Anthony V. Carollo, Jr., v.p. & gen. mgr.-ROLM operating companies; Robert K. Dahl, chief financial officer & v.p.-finance; Wayne J. Mehl, Alan Kessman, James M. Kasson, Walter Loewenstern, Jr., Richard M. Moley, Dennis D. Paboojian, vice presidents; William C. Friedman, secretary & general counsel; Oliver R. Stanfield, treasurer.

Directors: C. Lester Hogan, Robert Noyce, Jack L. Melchor, M. Kenneth Oshman, Edwin E. van Bronkhorst, Robert R. Maxfield, Leo J. Chamberlain.

Areas of Work: Manufactures a line of computerized branch exchange telephone systems (CBX'S) for users with 24-4000 extension and Mil-Spec computers designed to withstand a broad range of severe environmental conditions. These computer products are designed for a wide variety of applications to meet the diverse needs of intelligent military electronics systems.

Divisions:

The Telecommunications Division
Develops and produces CBX product lines as well as proprietary telephone sets. Flashphone, ETS 100, 200 and 300.

Office Systems Division
Develops and produces products for office automation to provide customers with integrated voice/data information systems.

Markets Group
Develops and markets ROLM products for vertical, international and independent distribution markets.

ROLM Operating Companies
Direct sales and service organization with operations in 19 states and three Canadian provinces.

Mil-Spec Computer Division
Develops and manufactures computers designed to withstand severe environmental conditions.

Transfer Agent(s):

First National Bank of Boston
50 Morrissey Boulevard
Dorchester, Massachusetts 02125

Stock Exchange(s): New York

Ticker Symbol: RM

Number of Employees:

1981	4,414	1978	1,095
1980	3,759	1977	695
1979	2,239		

Plant Footage:

1981 . . . . . . 804,000 sq. ft.

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 294,576,000	$ 23,777,000
1980	200,729,000	17,340,000
1979	121,092,000	11,648,000
1978	55,815,000	3,914,000
1977	34,913,000	1,995,000

	No. of Com. Shares #	Earn. per Share #
1981	17,162,000	$ 1.39
1980	15,990,000	1.08
1979	15,620,000	0.75
1978	14,652,000	0.27
1977	13,760,000	0.14

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted averge number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	—
1979	—	—	2-for-1
1978	—	—	2-for-1

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1981	$ 121,834,000	$ 7.10
1980	50,163,000	3.14
1979	29,984,000	1.92
1978	16,519,000	1.13

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	7/3/81	6/7/80
Net sales	$ 294,576,000	$ 200,729,000
Cost of sales	141,210,000	95,306,000
Expenses	107,597,000	71,853,000
Income before taxes	$ 45,769,000	$ 33,570,000
Income taxes	21,992,000	16,230,000
Net Income	$ 23,777,000	$ 17,340,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,853,000 in 1981 and $4,667,000 in 1980.

Assets

As of	7/3/81	6/7/80
Cash & cash equiv.	$ 36,163,000	$ 3,411,000
Accounts receiv.	35,597,000	30,441,000
*Inventories	48,748,000	37,421,000
Prepaid expenses	2,154,000	1,759,000
Current Assets	$ 122,662,000	$ 73,032,000
#Fixed assets	72,665,000	44,553,000
Other assets	11,587,000	—
Total Assets	$ 206,914,000	$ 117,585,000

Liabilities

	7/3/81	6/7/80
Account payable	$ 12,664,000	$ 16,314,000
Accruals	17,222,000	11,858,000
Accrued taxes	9,536,000	5,035,000
Cust. deposits	8,603,000	6,086,000
Deferred inc. taxes	1,920,000	2,080,000
Current Liabilities	$ 49,945,000	$ 41,373,000
Long-term debt	35,135,000	26,049,000
+Common stock	366,000	331,000
Add. paid-in capital	59,366,000	11,507,000
Retained earnings	62,102,000	38,325,000
Total Liabilities & Shareholders' Equity	$ 206,914,000	$ 117,585,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02125 par value.

Statistical Summary

	7/3/81	6/7/80
%Income bef. Taxes to Sales	15.54	16.72
%Net Income to Sales	8.07	8.64
%Net Income to Equity	19.52	34.57
Sales to Inventories	6.04	5.36
Working Capital	$ 72,717,000	$31,659,000
Current Ratio	2.46	1.77
Shareholders' Equity	$121,834,000	$50,163,000

Ronyx Corporation Limited

20 Hughson Street South
Hamilton, Ontario, Canada
(416) 528-6354

Mailing address:

P.O. Box 900
Hamilton, Ontario, L8N 3M8, Canada

Officers: Ronald K. Fraser, president; G. Philip Morphy, corp. v.p.; E. Delbert Hickey, v.p.-legal; Jean E. Spacca, secretary.

Directors: Ronald K. Fraser, C. Norman Lucas, D. Donald C. McGreachy, A.G. Dragone, J. Holmes, G.B. Sampson, G. Philip Morphy, J. Frederick Taylor.

Areas of Work: Manufactures radar, microwave and sonar detection hardware; and components for military and civilian aircraft. Also engaged in real estate activities.

Divisions:

Manufacturing Division (Fleet Industries)
(416) 871-2100

Real Estate Division (Ronark Development)
(416) 528-6354

Subsidiaries:

Arkton Corporation Limited

Transfer Agent(s):

Guaranty Trust Company of Canada
Toronto, Ontario
Vancouver, British Columbia

Stock Exchange(s): Toronto, Vancouver

Ticker Symbol: RXC

Number of Employees:

1981	953	1978	515
1980	965	1977	522
1979	685		

Plant Footage:

1981	500,000 sq. ft.	1978	328,680
1980	500,000	1977	320,437
1979	500,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 47,907,000	$ 1,949,000
1980	36,728,000	1,040,000
1979	32,277,000	959,000
1978	28,033,000	445,000
1977	27,545,000	859,000

	No. of Com. Shares	Earn. per Share #
1981	2,521,000	$ 0.77
1980	2,521,000	0.41
1979	2,521,000	0.38
1978	2,521,000	0.18
1977	2,521,000	0.34

+ Includes other income.
# Based on weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Manufacturing	$ 44,842	$ 30,938
Real estate	3,065	5,790
Total	$ 47,907	$ 36,728

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,262,000	$ 4.07
1980	8,313,000	3.30
1979	7,273,000	2.88
1978	6,314,000	2.50
1977	5,869,000	2.33

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 47,687,000	$ 36,562,000
Other income	220,000	166,000
Total income	$ 47,907,000	$ 36,728,000
Cost of sales & expenses	42,601,000	34,289,000
Interest and debt expense	1,772,000	963,000
Income before taxes	$ 3,534,000	$ 1,476,000
Income taxes	1,585,000	436,000
Net Income	$ 1,949,000	$ 1,040,000

* Included in Costs and Expenses, Depreciation and Amortization: $366,000 in 1981 and $294,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 19,000	$ 134,000
Deposits	70,000	10,000
Accts. receiv., net	7,897,000	7,784,000
*Inventories	16,375,000	17,202,000
Prepaid expenses	221,000	309,000
Mortgage receiv.	757,000	914,000
Refundable deposit bond	167,000	—
Long-term receivable curr. portion	1,888,000	—
Current Assets	$ 26,694,000	$ 26,353,000
Land for develop.	—	1,651,000
Refundable bond	-	176,000
Mortgage receiv.	1,771,000	39,000
#Fixed assets	4,969,000	3,179,000
Total Assets	$ 33,434,000	$ 31,398,000

Liabilities

Bank indebtedness	$ 11,545,000	$ 10,617,000
Long-term debt, curr.	325,000	1,190,000
Accts. payable & accruals	4,269,000	5,665,000
Mortgage payable	324,000	2,845,000
Income & other taxes	1,382,000	389,000
Def. inc. taxes	283,000	298,000
Curr. Liabilities	$ 18,128,000	$ 21,004,000
Long-term debt	4,571,000	1,881,000
Deferred inc. taxes	473,000	200,000
+Common stock	2,240,000	2,240,000
Retained earnings	8,022,000	6,073,000
Total Liabilities & Shareholders' Equity	$ 33,434,000	$ 31,398,000

* Work in progress at lower of cost and realizable value; materials and supplies at lower of average cost and market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.41	4.04
%Net Income to Sales	4.09	2.84
%Net Income to Equity	18.99	12.51
Working Capital	$ 8,566,000	$5,349,000
Current Ratio	1.47	1.25
Shareholders' Equity	$10,262,000	$8,313,000

SAB Harmon Industries, Inc.

(52% owned by Wilh. Sonnesson, AB of Sweden)

Grain Valley, Missouri 64029
(816) 249-3112

Officers: Robert E. Harmon, chairman of the board & president, Ronald G. Breshears, v.p.-human resources; Robert Clawson, v.p.-sales & marketing; Charles M. Foudree, v.p.-finance, treasurer & secretary; Robert E. Heggestad, v.p.-control systems; James P. Lemieux, v.p.-manufacturing.

Directors: Robert C. Harmon, Robert E. Harmon, L. Ralph Thomas, Donald V. Rentz, Charles M. Foudree, Denzil Allen, Ake Joseph Brandt, Alf Egon Loning, Nils Lennart Nilsson, Hans-Eric Ovin.

Areas of Work: Designs, manufactures and distributes electronic signal and communications systems and grade crossing hardware equipment for the railroad industry; also produces printed circuit boards and capacitors, and solid state sensors for coin changers used in vending machines.

Divisions:

Railroad Systems Division
Metal Products Division
Components Division
SAB Division

Subsidiaries:

M-K I-Bond Company
York, Pennsylvania
Manufactures insulated rail bond joints.

Erico Rail Products, Inc.
Cleveland, Ohio
Manufactures motion detectors, pulse modulation devices and dragging equipment detectors.

American SAB Company, Inc.
Chicago, Illinois
Produces slack adjuster equipment.

Transfer Agent(s):

United Missouri Bank of Kansas City, N.A.
Kansas City, Missouri 64141

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHRM (NASDAQ)

Number of Employees:

1981 552

Sales and Earnings

	Net Sales +	Net Income
1981	$ 29,845,000	$ 1,395,458
1980	27,391,000	1,337,647
1979	20,955,000	1,374,962
1978	12,040,000	635,138
1977	11,064,000	739,646

	No. of Com. Shares #	Earn. per Share #
1981	2,325,026	$ 0.60
1980	2,325,026	0.58
1979	2,325,026	0.59
1978	2,325,026	0.27
1977	1,343,928	0.55

+ Of continuing operations only.
# Based on average number of shares outstanding adjusted to reflect stock split and stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.015	100%	—
1980	0.125	—	2-for-1‡
1979	0.125	—	—
1978	0.125	—	—

+ Adjusted to reflect stock split and stock dividend.
‡ Declared Nov., 1980.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 10,545,880	$ 4.54
1980	9,499,176	4.09
1979	8,452,157	3.64
1978	7,367,823	3.17
1977	7,023,314	5.23

‡ Based on average number of shares outstanding adjusted to reflect stock split and stock dividend.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 29,844,865	$ 27,391,406
Cost of sales	22,120,999	21,179,646

SAB Harmon Industries, Inc.

Expenses	4,469,480	3,723,174
Interest expense	898,986	540,765
Other expense	3,821	19,943
Interest income	104,078	(14,458)
Income before taxes	$ 2,455,657	$ 1,942,336
Income taxes	1,081,000	788,000
Inc. from cont. oper.	$ 1,374,657	$ 1,154,336
Income from discont. oper.	20,801	183,311
Net Income	$ 1,395,458	$ 1,337,647

* Included in Costs and Expenses, Depreciation and Amortization: $751,363 in 1981 and $565,231 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 423,621	$ 389,020
Receiv., net	4,673,394	4,975,008
Overpayment of income taxes	—	93,444
Contracts in progress	458,810	1,268,569
*Inventories	8,110,667	8,946,225
Deferred income taxes-current	58,400	
Prepaid expenses	153,629	116,802
Current Assets	$ 13,878,521	$ 15,789,068
#Fixed assets	5,379,263	4,291,455
Construc. fund	—	1,199,312
Other assets	84,133	72,692
Total Assets	$ 19,341,917	$ 21,352,527

Liabilities

Notes payable	$ —	$ 765,000
Long-term debt	434,209	198,197
Dividends payable	174,377	145,314
Accts. payable	1,603,500	2,111,183
Due to affiliates	—	471,830
Accrued payroll	646,144	701,499
Accruals	800,333	487,309
Billings in exc. of costs	632,752	544,928
Income taxes	393,580	—
Deferred inc. taxes	—	53,600
Loss on long term debt, curr.	24,068	86,208
Curr. Liabilities	$ 4,708,963	$ 5,565,068
Deferred inc. taxes	276,874	268,874
Long term debt	3,810,200	6,019,409
+Common stock	581,257	290,628
Add. paid-in capital	4,224,219	4,514,848
Retained earnings	5,740,404	4,693,700
Total Liabilities & Shareholders' Equity	$ 19,341,917	$ 21,352,527

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	13.23	14.08
Sales to Inventories	3.68	3.06
Working Capital	$ 9,169,558	$10,224,000
Current Ratio	2.95	2.84
Shareholders' Equity	$10,545,880	$ 9,499,176

Sage Laboratories, Inc.

3 Huron Drive
East Natick Industrial Park
Natick, Massachusetts 01760
(617) 653-0844

Officers: Theodore S. Saad, president & chairman of the board; Carl A. Marguerie, exec. v.p.; Toni Cieri, v.p.-sales; Harry Chappell, v.p.-engineering; Robert P. Moncreiff, clerk.

Directors: Theodore S. Saad, Robert Elliott, R. Willis Leith, Jr., Edward M. Scheu, Jr., John E. Miller.

Areas of Work: Designs, develops and manufactures specialized components (both active and passive) and equipment used in the transmission, reception, and modification of microwave energy. Such components include regular and miniature mixers, filters, hybrids, couplers, attenuators and terminations.

Divisions:

Components Division
3 Huron Drive
Natick, Massachusetts 07160
(617) 653-0844

Transfer Agent(s):

New England Merchants National Bank
28 State Street
Boston, Massachusetts 02109

Stock Exchange(s): Boston

Ticker Symbol: SLAB (NASDAQ)

Number of Employees:

1981	39	1978	35
1980	39	1977	38
1979	37		

Plant Footage:

1981	13,000 sq. ft.	1978	13,000
1980	13,000	1977	13,000
1979	13,000		

Sales and Earnings

	Net Sales ‡	Net Income #
1981	$ 3,107,948	$ 405,494
1980	2,488,783	394,576
1979	1,994,069	266,674
1978	2,013,183	340,005
1977	1,907,843	270,712

	No. of Com. Shares	Earn. per Share + #
1981	435,565	$ 0.92
1980	426,565	0.91
1979	431,511	0.62
1978	431,511	0.79
1977	431,511	0.63

‡ Of continuing operations only; includes contract revenues.
# Including extraordinary credits of $14,000 ($0.03 per share) in 1981, $162,000 ($0.37 per share) in 1980, $109,000 ($0.25 per share) in 1979, $153,000 ($0.36 per share) in 1978 and $120,000 ($0.28 per share) in 1977.
+ Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,804,484	$ 4.14
1980	1,389,990	3.26
1979	1,007,779	2.34
1978	741,105	1.72

Income Account *

Year ended June 30	1981	1980
Net sales & contract revenues	$ 3,107,948	$ 2,488,783
Cost of sales	1,670,147	1,431,477
Expenses	841,163	676,702
Oper. profit	$ 596,638	$ 380,604
Interest income	(131,048)	(86,690)
Interest expense	(40,192)	30,218
Income before taxes	$ 687,494	$ 437,076
Income taxes	296,000	204,500
Net Income	$ 391,494	$ 232,576
Extraord. credit	14,000	162,000
Net Income & extraord. credit	$ 405,494	$ 394,576

* Included in Costs and Expenses, Depreciation and Amortization: $113,980 in 1981 and $88,170 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 20,020	$ 45,547
Marketable securities	550,000	830,000
Fixed time deposits	775,000	—
Accts. receiv., net	562,932	448,291
*Inventories	499,413	361,311
Prepaid expenses	19,171	23,519
Current Assets	$ 2,426,536	$ 1,708,668
#Fixed assets	597,834	511,768
Value of insurance	26,993	24,865
Prepaid inc. taxes	27,000	7,000
Catalog costs	36,416	54,416
Total Assets	$ 3,114,779	$ 2,306,717

Liabilities

Accts. payable	$ 164,978	$ 156,891
Accruals	351,840	135,552
Accrued payroll	230,647	176,075
Commissions	72,002	44,848
Oblig. under capital lease, curr.	35,564	14,681
Curr. Liabilities	$ 855,031	$ 528,047
Long-term debt	16,092	16,092
Oblig. under capital lease	439,172	372,588
+Common stock	445,596	434,596
Add. paid-in capital	712,502	712,502
Retained earnings (deficit)	663,836	258,342
Treasury stock	(15,450)	(15,450)
Total Liabilities & Shareholders' Equity	$ 3,114,779	$ 2,306,717

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales & Rev.	22.12	17.56
%Net Income to Sales & Rev.	12.60	9.34
%Net Income to Equity	21.70	16.73
Working Capital	$1,571,505	$1,180,621
Current Ratio	2.84	3.24
Shareholders' Equity	$1,804,484	$1,389,990

San/Bar Corporation

9999 Muirlands Boulevard
Irvine, California 92714
(714) 855-9911

Officers: Barry K. Hallamore, chairman of the board; Robert D. Johnson, president; John H. Piel, Phil Sansone, Ray Schuessler, Robert P. Juleff, vice presidents; Robert S. Barnes, secretary.

Directors: Barry K. Hallamore, chairman; Robert D. Johnson Lloyd G. Hallamore, Larry Velie, Robert Barnes.

Areas of Work: Develops, manufactures, markets and services systems and products for the telephone industry, including carrier systems, remote disconnect systems, ring transfer message waiting units, etc. Also produces a penetrating lubricant for weapon cleaning which is primarily sold to the Army.

Divisions:

San/Bar of Texas
2413 Shiloh Road
P.O. Box 2125, Kingsly Station
Garland, Texas 75040

Transfer Agent(s):

United California Bank
21021 Ventura Boulevard
Woodland Hills, California 91364

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SBAR (NASDAQ)

Number of Employees:

1980	435	1977	180
1979	N/A *	1976	140
1978	279	1975	135

Plant Footage:

1980	101,000 sq. ft.	1977	76,000
1979	76,000	1976	76,000
1978	76,000		

* Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1980	$ 13,308,822	$ 29,204
1979	11,449,017	380,741
1978	7,239,123	301,773
1977	5,365,219	(15,696)
1976	6,579,785	520,342

	No. of Com. Shares +	Earn. per Share ‡ +
1980	918,136	$0.03
1979	930,529	0.41
1978	901,789	0.33
1977	901,789	—
1976	901,789	0.58

(Loss)

‡ Including extraordinary loss of $151,250 ($0.17 per share) in 1977.

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1980	1979
Products	$ 7,011,105	$ 7,695,879
Transmission systems	370,506	—
Repairs	5,320,508	3,413,564
Chemical	606,703	339,574
Total	$ 13,308,822	$ 11,499,017

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	$0.05	—	—
1979	0.10	—	—
1978	0.05	—	—
1977	0.05	—	—
1976	0.08	—	3-for-2 ‡

‡ Effected in the form of a 50% stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share +
1980	$ 2,742,398	$2.99
1979	2,758,291	2.96
1978	2,467,598	2.74
1977	2,210,915	2.45
1976	2,271,701	2.52

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1980	1979
Net sales	$ 13,308,822	$ 11,449,017
Other income	301,902	276,840
Total income	$ 13,610,724	$ 11,725,857
Cost of sales	9,923,707	8,425,626
Expenses	3,329,313	2,690,490
Relocation costs	344,000	—
Income before taxes	$ 13,704	$ 609,741
Income taxes (credit)	(15,500)	229,000
Net Income	$ 29,204	$ 380,741

* Included in Costs and Expenses, Depreciation: $273,150 in 1980 and $179,319 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 50,845	$ 74,684
Accts. receiv., net	2,070,358	1,524,679
Refundable income taxes	132,996	—
* Inventories	2,165,257	2,196,630
Prepaid expenses	121,109	166,510
Current Assets	$ 4,540,565	$ 3,962,503
# Fixed assets	1,866,813	3,481,766
Other assets	414,049	435,445
Total Assets	$ 6,821,427	$ 7,879,714

Liabilities

Note payable	$ 700,000	$ 2,391,100
Long-term debt, curr.	20,437	22,416
Accts. payable	1,533,589	891,264
Accruals	140,192	137,820
Accrued payroll	180,870	179,801
Income taxes	—	49,628
Deposits	73,626	—
Curr. Liabilities	$ 2,648,714	$ 3,672,029
Long-term debt	1,430,315	1,449,394
+ Common stock	90,194	90,194
Add. paid-in capital	693,801	693,801
Retained earnings	1,958,403	1,974,296
Total Liabilities & Shareholders' Equity	$ 6,821,427	$ 7,879,714

* At lower of cost (FIFO) or market (net realizable value).

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	0.10	5.33
%Net Income to Sales	0.22	3.33
%Net Income to Equity	1.06	13.80
Sales to Inventories	6.15	5.21
Working Capital	$ 1,891,851	$ 290,474
Current Ratio	1.71	1.08
Shareholders' Equity	$ 2,742,398	$ 2,758,291

Sanders Associates, Inc.

Daniel Webster Highway, South
Nashua, New Hampshire 03061
(603) 885-4321

Officers: Harold W. Pope, chairman of the board; Jack L. Bowers, president & chief executive officer; M. Joel Kosheff, sr. v.p. & pres., Cal Comp Group; Albert B. Wight, exec. v.p.; Mellon C. Baird, Jr., sr. v.p. & pres., Federal Systems Group; Daniel C. Chisholm, v.p.-corp. staff; John F. Egan, v.p.-corp. development; Jay M. Farrar, group v.p. & gen. mgr., Components Products Group; James F. Gallagher, v.p. & controller; Charles H.S. Howe, v.p.-general counsel & secretary; Leo J. McLaughlin, v.p.-plant & material; Charles L. Register, v.p.-corp. staff; Martin R. Richmond, v.p.-technical staff; John A. Ruggiero, v.p. & treasurer; Robert T. Smith, v.p.-International Systems Division; Charles A. Glend[illegible] v.p.-public affairs; Roger W. Brown, v.p.-industrial rela[illegible]ry Brodie, v.p.-corp. computer sciences; Edward [illegible] v.p.-quality assurance & reliability; Norman J. M[illegible], asst. secretary.

Directors: Martin R. Richmond, Harold W. Pope, John R. Deane, Jr., Harry A. Steinberg, L.C. Whitney, Henry F. Argento, Harry G. Bowles, William H. Osborn, Jr., Albert Wight, Louis D. Miltimore, M. Joel Kosheff, Jack L. Bowers, Russell C. O'Neal, Mellon C. Baird, Jr.

Areas of Work: Engaged in research, development, engineering, and manufacturing programs relating to advanced technology electronic and electromechanical systems and products.

Federal Systems Group produces electronic countermeasure systems, antisubmarine warfare systems, electro-optics, radars, radio direction finding equipment, signal acquisition and analysis, military communications and classified programs or products for the armed services and other U.S. agencies under contract.

Component Products Group makes graphic displays and custom terminals, microwave components and devices, printed circuitry, valves and other specialized items, for use by Federal Systems Group and outside customers.

The CalComp Group is engaged in the design and production of computer graphic systems including plotting equipment and related software.

Divisions:

Federal Systems Group
Sanders Associates, Inc.
95 Canal Street
Nashua, New Hampshire 03060
(603) 885-2867

Component Products Group
Sanders Associates, Inc.
Grenier Field
Manchester, New Hampshire 03103
(603) 885-4321

CalComp Group
2411 West La Palma Avenue
Anaheim, California 92801
(714) 821-2011

Subsidiaries:

Sanders Leasing Corporation
Daniel Webster Highway, South
Nashua, New Hampshire 03060
(603) 885-3610

Sanders Leasing Limited
Bury Mead Road
Hitchin Herts, England

Airport Realty Corporation
High Point Realty Corporation
H-Tension Realty Corporation
Industrial Realty Corporation
Space Realty Corporation

All at:

Daniel Webster Highway, South
Nashua, New Hampshire 03060
(603) 885-2235

Talos Systems, Inc. (3/28/80)
Scottsdale, Arizona

Leading supplier of digitizers which are used to convert graphic information such as drawings and maps into digital data that can be processed by a computer.

CalComp S.A.
43 rue de la Breche-Aux-Loups
75 Paris (12e) France

CalComp GmbH
Dusseldorfer Strasse 101
4000 Dusseldorf 11
West Germany

CalComp B.V.
Maalderij 21
P.O. Box 444
Amstelveen, The Netherlands

CalComp Limited
Cory House
The Ring
Bracknell, Berks RG12 1ER
England

CalComp Pacific, Inc.
Azabu Building
3-5-27 Roppongi
Minato-ku, Tokyo 106, Japan

CalComp Canada
55 Westmore Drive
Rexdale, Ontario M9V 3Y6
(416) 745-9610

Sanders Associates, Inc.

CalComp S.p.A.
Via Farnese 1
20146 Milan, Italy

Transfer Agent(s):

Chemical Bank
Corporate Trust Dept.
55 Water Street
New York, New York 10041

Stock Exchange(s): New York

Ticker Symbol: SAA

Number of Employees:

1981	7,171	1978	4,129
1980	6,500	1977	4,314
1979	4,271		

Plant Footage:

1981	2,097,000 sq. ft.	1978	1,449,000
1980	2,005,000	1977	1,562,000
1979	1,439,000		

Sales and Earnings

	Net Sales	Net Income #
1981*	$ 364,483,000	$ 21,837,000
1980	281,057,000	18,528,000
1979	164,028,000	15,283,000
1978	145,923,000	19,564,000
1977	148,627,000	(4,669,000)

	No. of Com. Shares	Earn. per Share ‡‡#
1981	7,891,000	$ 2.75
1980	7,777,000	2.65
1979	6,106,000	2.37
1978	6,156,000	2.00
1977	4,761,000	1.56

(Loss)
* 53 weeks.
‡‡ Based on the average number of common shares and common share equivalents outstanding.
# Including extraordinary credits of $432,000 ($0.07 per share) in 1979, $9,020,000 ($1.71 per share) in 1978, $102,000 ($0.02 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 150,938,000	$ 19.13
1980	130,503,000	16.78
1979	66,325,000	10.86
1978	56,515,000	9.18
1977	24,287,000	5.10

Income Account *
(000's)

Year ended	7/31/81 (53 weeks)	7/25/80
Net sales	$ 364,483	$ 281,057
Cost of sales	256,052	203,724
Expenses	69,163	48,419
Interest expense	2,195	3,200
Other income & expenses	(773,000)	(582,000)
Income before taxes	$ 39,812	$ 32,409
Income taxes	17,939	13,881
Net Income	$ 21,873	$ 18,528

* Included in Costs and Expenses, Depreciation: $9,364,000 in 1981 and $7,326,000 in 1980.

Assets
(000's)

As of	7/31/81	7/25/80
Cash & investments	$ 25,915	$ 27,607
Accts. receiv., net	59,050	46,633
*Inventories	95,375	69,922
Other curr. assets	3,296	3,050
Current Assets	$ 183,636	$ 147,212
#Fixed assets	60,772	53,748
Other assets	1,807	1,092
Intangibles	30,891	32,933
Total Assets	$ 277,106	$ 234,985

Liabilities
(000's)

Long-term debt, curr.	$ 1,409	$ 2,204
Accts. payable	19,720	17,142
Advances	16,582	16,899
Accruals	30,315	29,319
Accrued & deferred income taxes	16,888	12,348
Curr. Liabilities	$ 84,914	$ 77,912
Deferred income taxes	16,398	—
Long-term debt	24,856	26,570
+Common stock	8,097	8,065
Add. paid-in capital	84,087	83,128
Retained earnings	60,409	43,064
Treasury stock	(1,655)	(3,754)
Total Liabilities & Shareholders' Equity	$ 277,106	$ 234,985

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.92	11.53
%Net Income to Sales	6.00	6.59
%Net Income to Equity	14.49	14.20
Sales to Inventories	3.82	4.02
Working Capital	$ 98,722,000	$ 69,300,000
Current Ratio	2.16	1.89
Shareholders' Equity	$150,938,000	$130,503,000

Sargent-Welch Scientific Company

7300 North Linder Avenue
Skokie, Illinois 60077
([illegible]) 677-0600

Officers: Thomas M. Mints, Jr., chairman of the board & chief executive officer; Lawrence F. Nein, president & chief operating officer; D. Jeffrey Baddeley, v.p. & secretary; Edward F. Ewen, Clark L. Schmitz, G. Jerome Tabern, vice president; James A. Hodges, Jr., v.p. & treasurer; Gerald J. Swens, controller.

Directors: Thomas M. Mints, Jr.*, Kenneth A. Bro*, Henry Regnery, T. Mackin Sexton, Robert R. Snedeker, William B. Weiss, D. Jeffrey Baddeley, John M. Connolly, Lawrence F. Nein*, William E. Bendix, Andrew J. McKenna, Frederic V. Malek.

* Member of the Executive Committee.

Areas of Work: Produces or distributes different scientific items for the educational and industrial markets including high vacuum mechanical pumps, turbo pumps and other vacuum products, chemical analysis meters, interferometers, polarograph®, recording titrators, spectrophotometers, potentiometric recorders, and pH measuring equipment. Distributes glassware, analytical balances, water stills and chemicals.

Subsidiaries:

SWS International Press, Inc.
7300 North Lauder Avenue
Skokie, Illinois 60077

Sargent Welch Scientific of Canada Limited
285 Garyray Drive
Weston, Ontario, Canada
(416) 741-5210

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): New York, Midwest

Ticker Symbol: SWS

Number of Employees:

1981	930	1978	1,600
1980	1,525	1977	1,500
1979	1,600		

Plant Footage:

1981	511,000 sq. ft.	1978	1,350,000
1980	1,350,000	1977	1,350,000
1979	1,350,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 81,605,000	$ 8,667,000
1980	83,251,000	6,170,000
1979	74,364,000	5,282,000
1978	67,664,000	4,781,000
1977	60,264,000	5,303,000

	No. of Com. Shares	Earn. per Share †
1981	2,334,554	$ 3.72
1980	2,329,179	2.65
1979	2,325,229	2.26
1978	2,367,529	2.02
1977	2,363,179	2.16

† Based on average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.62	—	—
1980	1.00	—	—
1979	0.88	—	—
1978	0.72	—	—
1977	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 54,168,000	$ 23.20
1980	49,207,000	21.13
1979	45,315,000	19.49
1978	42,717,000	18.04
1977	39,603,000	16.76

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 81,605,000	$ 83,251,000
Other income	2,494,000	652,000
Total Income	$ 84,099,000	$ 83,903,0000
Cost of sales	53,497,000	52,549,000
Expenses	21,008,000	21,229,000
Income before taxes	$ 9,594,000	$ 10,125,000
Income taxes	4,328,000	4,935,000
Income from cont'd. oper.	$ 5,266,000	$ 5,190,000
Discont'd. oper.	3,401,000	980,000
Net Income	$ 8,667,000	$ 6,170,000

* Included in Costs and Expenses, Depreciation and Amortization: $808,000 in 1981 and $766,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,430,000	$ 1,502,000
Marketable securities	20,380,000	6,628,000
Accts. receiv., net	13,425,000	14,753,000
*Inventories	18,723,000	17,902,000
Other Assets	1,158,000	1,855,000
Current Assets	$ 55,116,000	$ 43,976,000
#Fixed asset	7,077,000	7,547,000
Discont. operation	—	5,660,000
Total Assets	$ 62,193,000	$ 57,185,000

Liabilities

Accts. payable	$ 2,918,000	$ 2,483,000
Dividends payable	1,168,000	—

Accruals	2,667,000	3,536,000
Income taxes	733,000	1,437,000
Curr. Liabilities	$ 7,486,000	$ 7,456,000
Deferred inc. taxes	539,000	522,000
+Common stock	3,535,000	3,535,000
Add. paid-in capital	4,946,000	4,929,000
Retained earnings	58,742,000	53,856,000
Treasury stock	(13,055,000)	(13,113,000)
Total Liabilities & Shareholders' Equity	$ 62,193,000	$ 57,185,000

* At lower of cost (LIFO for domestic inventories, FIFO for foreign) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	16.00	12.54
Sales to Inventories	4.36	4.33
Working Capital	$47,630,000	$36,522,000
Current Ratio	7.36	5.90
Shareholders' Equity	$54,168,000	$49,207,000

Savant Instruments, Inc.

221 Park Avenue
Hicksville, New York 11801
(516) 935-8774

Officers: Alex Meshbane, president; Lester Burgman, vice president; Amelia Meshbane, secretary-treasurer; Frank Vilardi, engineering mgr.; Lester Burgman, purchasing agent & production manager.

Directors: Alex Meshbane, chairman; Amelia Meshbane, Lester Burgman.

Areas of Work: Engaged in manufacture of high voltage electrophoresis power supplies; fraction collectors; safety enclosures; recirculating water coolers; quartz and glass optical cells; vacuum centrifuge for solvent phase elimination.

Divisions:

Uvonic Cuvettes Division
Hicksville, New York

Transfer Agent(s):

Registrar and Transfer Company
34 Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	18	1978	16
1980	18	1977	14
1979	15		

Plant Footage:

1981	8,200 sq. ft.	1978	8,200
1980	8,200	1977	8,200
1979	8,200		

Sales and Earnings

	Net Sales	Net Income
1981	$ 1,782,821	$ 150,646
1980	1,618,933	81,647
1979	1,039,552	26,513
1978	899,641	21,157
1977	n.a.	n.a.

	No. of Com. Shares	Earn. per Share
1981	226,994	$ 0.66
1980	228,984	0.36
1979	230,994	0.11
1978	234,664	0.09
1977	n.a.	n.a.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 736,454	$ 3.25
1980	623,883	2.72
1979	571,056	2.47
1978	574,582	2.45
1977	n.a.	n.a.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 1,782,821	$ 1,618,933
Other income	24,181	5,629
Total income	$ 1,807,002	$ 1,624,562
Cost of sales	739,442	795,867
Expenses	801,746	685,592
Depreciation & amortization	16,052	23,998
Income before taxes	$ 249,763	$ 119,105
Income taxes	99,115	37,458
Net Income	$ 150,648	$ 81,647

Assets

As of Dec. 31	1981	1980
Cash	$ 221,136	$ 68,364
Marketable securities	89,050	89,342
Accts. receiv., net	198,515	173,024
*Inventories	340,500	345,361
Prepaid expenses	6,947	8,242
Current Assets	$ 856,148	$ 684,333
#Fixed assets	33,346	35,364
Security deposits	5,082	4,582
Intangibles	11,300	11,300
Other assets	1,011	1,618
Total Assets	$ 906,887	$ 737,197

Liabilities

Accts. payable	$ 19,860	$ 38,136
Accruals	150,573	75,179
Curr. Liabilities	$ 170,433	$ 113,315
+Common stock	22,689	22,898
Add. paid-in capital	309,037	312,870
Retained earnings	404,728	288,114
Total Liabilities & Shareholders' Equity	$ 906,887	$ 737,197

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.01	7.36
%Net Income to Sales	8.45	5.04
%Net Income to Equity	20.46	13.09
Sales to Inventories	5.24	4.69
Working Capital	$685,715	$571,018
Current Ratio	5.02	6.04
Shareholders' Equity	$736,454	$623,883

Savin Corporation

Valhalla, New York 10595
(914) 769-9500

Officers: E. Paul Charlap, chairman of the board; Robert K. Low, president; Gabriel S. Carlin, Robert M. Leopold, executive v.p.'s; Richard W. Brown, Arthur J. Nendick, sr. v.p.'s; Daniel L. Gotthilf, sr. v.p.-finance & treasurer; Norman E. Turner, sr. v.p.-engineering & manufacturing; David L. Caulfield, v.p.-management information; Roderick D. Marcoux, v.p.-dealer operations; Abraham Ostrovsky, v.p.-retail operations; Robert C. Poshey, v.p.-quality assurance; Max Schultes, v.p.-copier product development; Michael B. Targoff, v.p. & general counsel; William Thompson, v.p.-field engineering; Harry S. Waldman, v.p.; Joseph Levy, secretary.

Directors: E. Paul Charlap*, chairman; Henry Brout, Gabriel S. Carlin, Daniel L. Gotthilf, Paul J. Konigsberg, Robert M. Leopold*, Max M. Low*, John F. McCarthy*, Robert S. Savin, Leonard I. Shankman, Norman E. Turner.

Areas of Work: Develops, manufactures and markets office copiers, word processing/data processing equipment and related supplies and accessories.

Subsidiaries:

Diversified Equipment Leasing Corp.
Thornwood, New York

Magnetic Laboratories, Inc.
Hallstead, Pennsylvania

Savin Canada, Inc.
Toronto, Canada

Savin GmbH
Dusseldorf, West Germany

Senox Limited
Wilmington, Delaware

Savin Research & Development Limited
Vaduz, Lichtenstein

Savin World Trade Corporation
Valhalla, New York

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: SVB

Number of Employees:

1981 5,878

Plant Footage:

1981 . . . . . . 983,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 434,748,000	$ (2,212,000)
1980	356,532,000	28,340,000
1979	290,935,000	32,297,000
1978	221,439,000	26,006,000
1977	121,742,000	10,662,000

	No. of com. Shares #	Earn. per Share #
1981	6,189,123	$ —
1980	6,443,090	4.35
1979	7,092,564	4.55
1978	7,006,979	3.71
1977	6,743,176	1.57

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.61	—	—
1980	0.70	—	—
1979	0.475	—	—
1978	0.35	—	2-for-1
1977	0.0875	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 86,964,000	$ 14.19
1980	93,360,000	15.37

‡ After allowing for preferred stock at liquidation value.

Savin Corporation

Income Account *
(000's)

Year ended April 30	1981	1980
Revenues	$ 443,651	$ 374,308
Cost of sales	262,320	211,750
Expenses	162,756	104,342
Interest expense	24,460	11,014
Income (loss) before taxes	$ (5,885)	$ 47,202
Income taxes (credit)	(3,673)	18,862
Net Income (Loss)	$ (2,212)	$ 28,340

* Included in Costs and Expenses, Depreciation: $34,210,000 in 1981 and $24,589,000 in 1980.

Assets
(000's)

As at April 30	1981	1980
Cash	$ 8,327	$ 5,625
Marketable securs.	11,636	5,865
Accts. receiv., net	149,889	120,422
Refundable taxes	21,409	3,581
*Inventories	59,413	54,683
Other curr. assets	1,737	1,580
Current Assets	$ 252,411	$ 191,756
#Fixed assets	131,442	87,623
Other assets	29,371	17,485
Total Assets	$ 413,224	$ 296,864

Liabilities
(000's)

	1981	1980
Bank & other loans payable	$ 49,971	$ 18,844
Long-term debt, curr.	6,317	4,864
Accts. Payable & accruals	51,868	43,797
Deferred inc. taxes	8,358	1,932
Deferred royalty rev.	4,139	4,139
Deferred revenue	14,257	10,132
Curr. Liabilities	$ 134,910	$ 83,708
Deferred royalty & other rev.	8,849	9,313
Deferred inc. taxes	12,377	4,885
Long-term indebt.	146,555	81,863
Roy. payable	10,094	10,260
+ Preferred stock	674	674
+ + Common stock	690	683
Add. paid-in capital	23,670	23,098
Retained earnings	86,155	93,130
Treasury stock	(10,750)	(10,750)
Total Liabilities & Shareholders' Equity	$ 413,224	$ 296,864

* At lower of cost (LIFO) or market; inventory costs for magnetic lab. at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value; $1.50 cum. convertible.
+ + $0.01 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Revenues	—	12.61
%Net Income to Revenues	—	7.57
%Net Income to Equity	—	26.53
Working Capital	$117,501,000	$108,048,000
Current Ratio	1.87	2.29
Shareholders' Equity	$100,439,000	$106,835,000

Saxton Products, Inc.

215 North Route 303
Congers, New York 10920
(914) 268-6846

Officers: Edward Abbo, chairman of the board & chief executive officer; William Malia, president & chief operating officer; Arthur Abbo, v.p. & secretary; Allan Byer, v.p.-finance.

Directors: Edward Abbo, chairman; David J. Berge, James Hutton, Arthur Abbo, Dirck Post, William Malia.

Areas of Work: Designs, manufactures and sells television, high fidelity and telephone wire, cable and related components, and telephone accessories such as plugs, jacks, clips; speakers and speaker controls.

Transfer Agent(s):

Continental Stock Transfer & Trust Corp.
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SXNP (NASDAQ)

Number of Employees:

1981 139

Plant Footage:

1981 . . . . . . 60,800 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 9,039,283	$ 13,243
1980	8,117,318	(1,596,266)
1979	7,510,959	(389,650)
1978	8,435,776	27,776
1977	9,702,348	108,704

	No. of Com. Shares	Earn. per Share ‡
1981	433,249	$ —
1980	433,249	—
1979	432,549	—
1978	426,349	0.07
1977	426,349	0.25

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,698,188	$ 6.23
1980	2,671,348	6.17
1979	4,222,721	9.76
1978	4,621,112	10.84
1977	4,604,403	10.80

Income Account *

Year ended May 31	1981	1980
Net sales	$ 9,039,283	$ 8,117,318
Cost of sales	7,025,881	7,478,178
Expenses	1,950,515	2,211,642
Other income	50,540	(56,920)
Interest expense	100,184	80,684
Income (loss) before taxes	$ 13,243	$ (1,596,266)
Income tax	4,400	—
Net Income (Loss)	$ 8,843	$ (1,596,266)
Extraordinary credit	3,100	—
Net Income (Loss) and Extraord. Credit	$ 11,943	$ (1,596,266)

* Included in Costs and Expenses, Depreciation and Amortization: $153,504 in 1981 and $139,643 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 39,793	$ 46,715
Marketable securities	18,875	—
Accts. receiv., net	1,289,674	1,296,404
*Inventories	3,364,183	2,450,560
Income taxes	—	47,024
Prepaid & other assets	183,164	170,233
Current Assets	$ 4,895,689	$ 4,010,936
#Fixed assets	677,481	694,676
Other assets	94,415	66,426
Investments	—	16,625
Total Assets	$ 5,667,585	$ 4,788,663

Liabilities

	1981	1980
Notes payable	$ 806,019	$ —
Long-term debt	125,000	261,250
Accts. payable	1,589,195	1,310,027
Due to officers	173,169	90,684
Accruals	252,414	345,354
Curr. Liabilities	$ 2,945,797	$ 2,007,315
Long-term debt	23,600	110,000
+ Common stock	433,249	433,249
Add. paid-in capital	1,400,129	1,400,129
Retained earnings	864,810	852,867
Net unrealized loss	—	(14,897)
Total Liabilities	$ 5,667,585	$ 4,788,663

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income before Taxes to Sales	0.15	—
%Net Income to Sales	0.13	—
%Net Income to Equity	0.44	—
Sales to Inventories	2.69	3.31
Working Capital	$1,949,892	$2,003,621
Current Ratio	1.66	2.00
Shareholders' Equity	$2,698,188	$2,671,348

SBD Electronic Systems, Inc.

275 Dixon Aveue
Amityville, New York 11701
(516) 842-2000

Officers: Miftar Beio, president; Albert Schneider, chief exec. officer; Sheldon M. Weiss, v.p. & treasurer; Albert de la Lastra, v.p. & secretary.

Directors: Albert Schneider, chairman, Miftar Beio, Albert de la Lastra, Sheldon M. Weiss.

Areas of Work: Manufactures custom solid state power supplies.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
30 Montgomery Street
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	48	1978	48
1979	48	1977	48

Plant Footage:

1980	10,000 sq. ft.	1978	10,000
1979	10,000	1977	10,000

Sales and Earnings

	Net Sales	Net Income †
1980	$ 2,411,079	$ 271,183
1979	2,059,127	186,803
1978	1,821,878	260,968
1977	1,534,270	385,085
1976	1,990,282	89,675

	No. of Com. Shares ‡	Earn. per Share † #
1980	793,029	$0.34
1979	793,029	0.24
1978	729,417	0.36
1977	672,417	0.57
1976	672,417	0.13

† Including extraordinary gains of $124,733 ($0.17 per share) in 1978, $293,668 ($0.44 per share) in 1977 and $32,930 ($0.05 per share) in 1976.
‡ Adjusted to reflect stock dividends.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	50%	—
1979	—	—	—
1978	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 1,163,798	$1.47
1979	892,614	1.13
1978	674,005	0.92
1977	408,287	0.61
1976	23,202	0.03

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1980	1979
Net sales	$ 2,411,079	$ 2,059,127
Cost of sales	1,253,989	1,132,996
Expenses	717,690	636,487
Other income	(37,783)	(30,859)
Income before taxes	$ 477,183	$ 320,503
Income taxes	206,000	133,700
Net Income	$ 271,183	$ 186,803

* Included in Costs and Expenses, Depreciation and Amortization: $17,956 in 1980 and $12,870 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 368,249	$ 496,515
Accts. receiv., net	274,702	156,496
* Inventories	654,387	728,628
Prepaid expenses & other curr. assets	31,090	53,275
Current Assets	$ 1,328,428	$ 1,434,914
# Fixed assets	240,153	229,550
Other assets	26,271	11,866
Total Assets	$ 1,594,852	$ 1,676,330

Liabilities

	1980	1979
Long-term debt, curr.	$ 53,277	$ 44,333
Accts. payable and accruals	81,476	106,757
Progress payments	179,145	347,574
Income taxes payable	81,187	129,677
Mortgage payable	—	83,272
Current Liabilities	$ 395,085	$ 711,613
Long-term debt	35,969	72,103
+ Common stock	79,303	52,868
Add. paid-in capital	446,703	446,703
Retained earnings	637,792	393,043
Total Liabilities & Shareholders' Equity	$ 1,594,852	$ 1,676,330

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1980	1979
%Income before Taxes to Sales	19.79	15.56
%Net Income to Sales	11.25	9.07
%Net Income to Equity	23.30	20.93
Sales to Inventories	3.68	2.83
Working Capital	$ 933,343	$ 723,301
Current Ratio	3.36	2.02
Shareholders' Equity	$ 1,163,798	$ 892,614

Scan-Data Corporation

800 East Main Street
Norristown, Pennsylvania 19401
(215) 277-0500

Officers: William C. Klink, chairman of the board, president & chief executive officer; John W. Kirst, exec. v.p., treasurer & secretary; Colin J.C. Jarman, sr. v.p.-European operations; Robert M. Tripp, v.p.-sales & marketing; Joseph Yacyk, v.p.-operations; Gary L. Blakely, controller & asst. treasurer; Roy C. Oakford, v.p.-federal sales; Michael J. Sikelis, v.p.-special programs; Joseph C. Uhland, v.p.-engineering.

Directors: William C. Klink, chairman; Bernard F. Block, Daniel S. Greenstein, Colin J.C. Jarman, John W. Kirst, L. Charles Roskam.

Areas of Work: Develops, manufactures, markets and services optical character recognition pace and document reading systems and other data input and processing systems.

Subsidiaries:

Scan-Data Corp.
One Penn Plaza
250 West 34th Street
New York, New York 10001
(212) 239-4466

Scan-Data International, Limited
Bitco Building
Nassau, Bahamas
(809) 322-8622

OCR Scan-Data, Limited
United Kingdom

Scan-Data GmbH
West Germany

Document Systems, Inc.

Transfer Agent(s):

Continental Stock Transfer Corp.
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCAN (NASDAQ)

Number of Employees:

1981	169	1978	205
1980	211	1977	300
1979	220		

Plant Footage:

1981	47,200 sq. ft.	1978	49,000
1980	47,200	1977	49,000
1979	49,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 13,525,256	$ (2,458,003)
1980	12,694,077	(4,870,943)
1979	16,632,765	(359,367)
1978	14,927,396	1,033,714
1977	14,849,073	(976,431)

	No. of Com. Shares	Earn. per Share † ‡
1981	2,587,096	$ —
1980	2,266,096	—
1979	2,233,634	—
1978	2,233,634	0.39
1977	1,821,451	—

(Loss)
‡ Including extraordinary gains of $592,000 ($0.26 per share) in 1978 and $168,000 ($0.10 per share) in 1977.
† Based on the weighted average number of common shares, Class B common shares, and prior to 1979, common stock equivalents outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 8,416,957	$ 7,605,456
Other income	5,108,299	5,088,621
Total income	$ 13,525,256	$ 12,694,077
Cost of sales	8,727,641	10,109,329
Research & devel.	1,657,224	767,017
Expenses	4,579,292	4,754,973
Depreciation	921,658	1,163,081
Amortization of technological know-how	351,740	—
Interest expense (inc.)	(106,193)	735,408
Loss before taxes	$ (2,606,106)	$ (4,835,731)
Income taxes (credit)	(148,103)	35,212
Net Loss	$ (2,458,003)	$ (4,870,943)

* Included in Costs and Expenses, Depreciation and Amortization: $928,149 in 1981 and $1,169,602 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 700,314	$ 972,475
Short-term invest.	—	250,000
Accts. receiv., net	2,548,061	2,277,189
Long-term equip. leases, curr.	330,589	408,414
*Inventories	3,101,955	3,642,759
Prepaid expenses	43,540	72,648
Current Assets	$ 6,724,459	$ 7,623,485
Long-term receiv.	654,348	409,337
# Revenue earn. equip.	—	279,119
# Fixed assets	1,350,926	1,211,452
Other assets	520,179	116,758
Total Assets	$ 9,249,912	$ 9,640,151

Liabilities

	1981	1980
Short-term debt	$ 13,888	$ 190,394
Long-term debt, curr.	414,594	458,711
Accts. payable	2,280,335	1,996,315
Accruals	324,097	832,772
Accrued payroll	319,419	258,499
Deferred income	370,852	358,269
Curr. Liabilities	$ 3,723,185	$ 4,094,960
Long-term debt	1,936,878	5,391,279
Deferred inc. taxes	—	223,070
+ Redeem. pref. stock	5,500,000	—
+ + Preferred stock	6,900	690,000
+ + + Common stock	24,571	1,068,064
+ + + + Class B common	1,300	1,300
Add. paid-in capital	559,331	11,241,875
Accumulated deficit	(2,502,253)	(13,070,397)
Total Liabilities & Shareholders' Equity	$ 9,249,912	$ 9,640,151

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
+ + $1 par value in 1981; $100 par value in 1980.
+ + + $0.01 par value in 1981; $0.50 par value in 1980.
+ + + + No par value.

Statistical Summary

	1981	1980
Sales to Inventories	2.71	2.09
Working Capital	$3,001,274	$3,528,525
Current Ratio	1.81	1.86
Shareholders' Equity (Deficiency)	($1,910,151)	($ 69,168)

Scan-Optics, Inc.

22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001

Scan-Optics, Inc.

Officers: Jean M. Belhumeur, Jr., chairman of the board & president; Clarence W. Kife, vice president-customer service; Ronald E. Gocht, v.p.-engineering; William H. Cuddy-asst. secretary; John I. Anderson, v.p.-finance and administration, secretary-treasurer; Richard J. Hamlin, v.p. & gen. mgr.-Software Services; Robert G. Wadsworth, managing director-Scan-Optics Ltd.; Alan W. Ware, v.p. & gen. mgr.-Domestic End User Products.

Directors: Jean M. Belhumeur, Jr., Logan Clarke, Jr., Etalo G. Genti, Robert H. Steele, Richard J. Coburn.

Areas of Work: Engaged in the development, manufacture and marketing of data entry systems for the United States and international markets. The Company either sells equipment directly to customers or leases equipment through its wholly owned subsidiary, World Wide Systems Corporation. The Company also furnishes maintenance and engineering support service to its customers as well as software and systems analysis service.

Subsidiaries:

World-Wide Systems Corporation
22 Prestige Park
East Hartford, Connecticut 06108

Scan-Optics Limited
36 Sunbury Cross Centre
Sunbury, Middlesex, England

Transfer Agent(s):

The Connecticut Bank & Trust Co.
1 Constitution Plaza
Hartford, Connecticut 06103

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOCR(NASDAQ)

Number of Employees:

1981	279	1978	256
1980	300	1977	200
1979	300		

Plant Footage:

1981	39,200 sq. ft.	1979	39,200
1980	39,200	1979	39,200

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 10,839,806	$ 2,111,067
1980	8,350,852	1,191,787
1979	9,087,283	639,372
1978	4,737,960	(637,967)
1977	4,912,528	101,028

	No. of Com. Shares +	Earn. per Share ‡+
1981	5,186,465	$ 0.41
1980	3,570,192	0.33
1979	3,074,605	0.21
1978	2,353,440	—
1977	2,386,267	0.04

(Loss)

‡ Including extraordinary gains of $365,000 ($0.07 per share) in 1981, $532,800 ($0.15 per share) in 1980, $427,000 ($0.14 per share) in 1979 and $40,250($0.02 per share) in 1977.

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 12,501,377	$ 2.41
1980	2,768,106	0.78

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 10,839,806	$ 8,350,852
Lease & service rev.	6,315,343	5,690,211
Total income	$ 17,155,149	$ 14,041,063
Cost of sales	6,464,722	5,214,462
Expenses	8,037,883	6,547,732
Depreciation	532,775	634,932
Other income	(1,063,447)	(190,305)
Interest expense	575,828	915,639
Gain on sale of leased equip.	—	(214,784)
Other income	(125,679)	(138,400)
Income before taxes	$ 2,733,067	$ 1,271,787
Income taxes	987,000	612,800
Net Income	1,746,067	$ 658,987
Extraord. gain	365,000	532,800
Net Income & Extraord. Gain	$ 2,111,067	$ 1,191,787

Assets

As of Dec. 31	1981	1980
Cash	$ 102,324	$ 725,089
Certificate of deposit	4,450,000	300,000
Accts. receiv., net	3,121,542	2,238,611
*Inventories	4,572,180	4,763,656
Prepaid expenses	14,573	43,802
Current Assets	$ 12,260,619	$ 8,071,158
Equip. leased to customers	1,447,503	2,452,564
#Fixed assets	1,440,398	783,316
Deferred financing costs	38,528	119,642
Invest. in sales-type leases	1,625,756	692,455
Total Assets	$ 16,812,804	$ 12,119,135

Liabilities

Notes payable	$ —	$ 3,286,935
Long-term debt, curr.	681,055	1,358,637
Accts. payable	644,435	1,255,280
Accruals	101,512	576,875
Accrued taxes on income	323,914	80,000
Accrued payroll	737,407	645,685
Misc. taxes	170,968	199,231
Cust. deposits	50,385	189,183
Curr. Liabilities	$ 2,709,676	$ 7,542,776
Long-term debt	358,934	1,090,962
Deferred lease revenues	509,669	359,378
Other def. rev.	344,148	357,913
Def. inc. taxes	389,000	—
+Common stock	76,129	41,726
+Class A stock	29,191	29,191
Add. paid-in capital	24,091,532	16,503,731
Retained earnings (deficit)	(11,695,475)	(13,806,542)
Total Liabilities & Shareholders' Equity	$ 16,812,804	$ 12,119,135

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	25.21	15.23
%Net Income to Sales	16.11	7.89
%Net Income to Equity	13.97	23.81
Sales to Inventories	2.37	1.75
Working Capital	$ 9,550,943	$ 528,382
Current Ratio	4.52	1.07
Shareholders' Equity	$12,501,377	$2,768,106

Schaak Electronics, Inc.

1415 Mendota Heights Road
St. Paul, Minnesota 55120
(612) 454-6830

Officers: R.L. Schaak, chairman of the board & chief executive officer; Paul R. Ginther, president; Lawrence J.W. Castrianta, exec. v.p.; Thomas H. Strom, v.p.-finance; Toru Nagano, v.p.-corporate development; David C. Larson, v.p. & controller; Gregory A. Harris, v.p.-retail operations; Patrick H. O'Neill, secretary; Bruce E. Yoder, asst. secretary & asst. controller; Oleh Artym, v.p.-marketing.

Directors: R.L. Schaak, chairman; Paul R. Ginther, Galen M. Cadle, Patrick H. O'Neill, Thomas Schreier, Michael Scott.

Areas of Work: Primarily a retailer of high fidelity sound equipment, serving its customers through 51 company owned retail sales centers and two licenses. In addition, the company wholesales high fidelity equipment to smaller dealers and manufactures a line of high fidelity speakers.

Transfer Agent(s):

American National Bank and Trust Company
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHAA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1981	$ 49,303,000	$ 621,000
1980	45,556,474	1,457,035
1979	40,942,602	1,815,823
1978	31,198,819	1,331,165
1977	19,510,532	1,246,273

	No. of Com. Shares #	Earn. per Share †#
1981	1,454,000	$ 0.43
1980	1,302,738	1.12
1979	1,274,014	1.43
1978	1,308,195	1.01
1977	1,291,602	0.97

† Including extraordinary gain of $565,000 ($0.44 per share) in 1977.

# Based on weighted number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	50%	—
1978	—	100%	—

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 10,119,000	$ 6.96
1980	6,820,000	5.24
1979	5,355,000	4.20
1978	3,530,000	2.70

† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended May 31	1981	1980
Net sales	$ 49,303,000	$ 45,556,474
Cost of sales	32,851,000	29,945,927
Expenses	15,027,000	12,358,091
Interest expense	650,000	493,421
Income before taxes	$ 775,000	$ 2,759,035
Income taxes	150,000	1,302,000
Eq. in loss of fin. subsid.	4,000	—
Net Income	$ 621,000	$ 1,457,035

* Included in Costs and Expenses, and Depreciation: $653,000 in 1981 and $477,104 in 1980.

Assets As of May 31	1981	1980 ‡
Cash	$ 908,000	$ 747,000
Accts. receiv., net	944,000	1,157,000
Adv. to fin. subsid.	97,000	—
* Inventories	14,383,000	11,249,000
Inc. taxes receiv.	214,000	—
Prepaid expenses & other assets	142,000	274,000
Current Assets	$ 16,688,000	$ 13,427,000
Long-term receiv. from off.	351,000	—
Invest. in fin. subsid.	96,000	—
#Fixed assets	4,564,000	3,400,000
Total Assets	$ 21,699,000	$ 16,827,000
Liabilities		
Notes payable	$ —	$ 2,000,000
Long-term debt, curr.	7,000	27,000
Accts. payable	6,024,000	4,628,000
Income taxes	—	47,000
Accrued payroll	411,000	264,000
Other liabilities	563,000	533,000
Curr. Liabilities	$ 7,005,000	$ 7,499,000
Long-term debt	4,105,000	2,306,000
Deferred credit	104,000	—
Deferred inc. taxes	366,000	202,000
+Common stock	161,000	131,000
Add. paid-in capital	4,159,000	1,511,000
Retained earnings	5,799,000	5,178,000
Total Liabilities & Shareholders' Equity	$ 21,699,000	$ 16,827,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.57	6.06
%Net Income to Sales	1.26	3.20
%Net Income to Equity	6.14	21.12
Sales to Inventories	3.43	4.05
Working Capital	$ 9,683,000	$5,928,000
Current Ratio	2.38	1.79
Shareholders' Equity	$10,119,000	$6,898,982

Schaevitz Engineering

U.S. Route 130 and Union Avenue
Pennsauken, New Jersey 08110
(609) 662-8000

Officers: Howard A. Schaevitz, chairman of the board & treasurer; LeRoy A. Bondy, president; Ernest D.D. Schmidt, v.p.-operations; David Garippa, v.p.-finance; Frank R.Pisaro, v.p.-marketing; Ruth J. Norwitz, v.p.; Stella A. Schaevitz, secretary.

Directors: Howard A. Schaevitz, chairman; LeRoy A. Bondy, John J. Hegar, Stella A. Schaevitz, Ruth J. Norwitz, Raimon L. Conlisk, Phyllis C. Howard.

Areas of Work: Designs and manufactures electromechanical measurement and control instruments, including inclinometers and accelerometers for industrial applications.

Transfer Agent(s):

Heritage Bank, N.A.
Cherry Hill, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings †

	Net Sales	Net Income	No. of Com. Shares	Earn. per Share #
1981	$ 11,573,329	$ 1,024,008	1,052,719	$ 0.97
1980*	11,039,075	441,443	1,052,719	0.42

* 53 weeks.
† Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
# Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 5,876,913	$ 5.58
1980	4,852,905	4.61

Income Account *

Year ended Dec. 31	1981	1980 ‡ (53 weeks)
Net sales	$ 11,573,329	$ 11,039,075
Other income	358,211	354,455
Total income	$ 11,931,540	$ 11,393,530
Cost of sales	6,616,762	6,756,137
Expenses	4,113,957	3,433,791
Other charges	325,494	309,045
Foreign operations	(403,681)	(17,012)
Leveraged lease exp.	—	173,940
Income before taxes	$ 1,279,008	$ 737,629
Income taxes	255,000	296,186
Net Income	$ 1,024,008	$ 441,443

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $430,288 in 1981 and $395,216 in 1980.

Assets As of Dec. 31	1981	1980 ‡
Cash	$ 905,940	$ 722,433
Accts. receiv., net	2,161,923	2,126,077
*Inventories	3,201,054	3,064,819
Other assets	218,245	206,914
Current Assets	$ 6,487,162	$ 6,120,243
Investments	928,916	1,041,819
#Fixed assets	3,832,604	3,349,629
Other assets	166,926	96,935
Total Assets	$ 11,415,608	$ 10,608,626
Liabilities		
Long-term debt, curr.	$ 162,778	$ 144,984
Accts. payable	562,431	946,867
Accruals	1,097,535	687,715
Income taxes	222,520	345,985
Curr. Liabilities	$ 2,045,264	$ 2,125,551
Long-term debt	3,192,240	3,367,988
Deferred taxes	188,000	208,071
Deferred comp.	113,191	54,111
+Common stock	105,693	105,693
Add. paid-in capital	1,083,215	1,083,215
Retained earnings	4,691,553	3,667,545
Treasury stock	(3,548)	(3,548)
Total Liabilities & Shareholders' Equity	$ 11,415,608	$ 10,608,626

‡ Restated.
* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.05	6.68
%Net Income to Sales	8.85	4.00
%Net Income to Equity	17.42	9.10
Sales to Inventories	3.62	3.60
Working Capital	$4,441,898	$3,994,692
Current Ratio	3.17	2.88
Shareholders' Equity	$5,876,913	$4,852,905

Schlumberger Limited

277 Park Avenue
New York, New York 10172
(212) 350-9400

Officers: Jean Riboud, chairman of the board & president; Arthur Lindenauer, exec. v.p.-finance; Roland Genin, Michel Vaillaud, exec. v.p.'s-operations; Bernard Alpaerts, Thomas C. Roberts, D. Euan Baird, exec. v.p.'s; Jean Babaud, Michel Gouilloud, Allen Klein, Andre Misk, Roy R. Shourd, William T. Long, Thomas A. Longo, v.p.'s; Arthur Alexander, v.p. & director of personnel; William W. Dunn, controller; David S. Browning, secretary & general counsel; Michel Soublin, treasurer; James A. Mackenzie, Andre Laloux, asst. secretaries.

Directors: Jean Riboud*, chairman; Jacques de Fouchier*, Roland Genin*, George H. Jewell, Paul A. Lepercq*, George de Menil, Francoise Schlumberger Primat, Benno C. Schmidt*, Jerome B. Wiesner*, Michel Vaillaud, Felix Rohatyn, Ellmore C. Patterson, Pierre Marcel Schlumberger.

* Member of Executive Committee.

Areas of Work: Manufactures measurement and control instruments and systems for consumer, industrial and commercial applications. Also offers different technical operations to the oil industry on a worldwide basis.

Divisions and Subsidiaries:

Measurement and Control-North America.

Sangamo
Watthour meters, equipment for electric power systems, electronic components, electrical load and rate control systems.

Weston
Panel and portable meters, aircraft instruments, potentiometers, x-ray gauges, nuclear instruments, vehicle performance recorders.

EMR
Telemetry data systems and instruments, photomultiplier tubes, data communication products, data recorders.

Heath
Electronic equipment in kit form for home entertainment, electronic testing, amateur radio; home computers, educational and laboratory instruments.

Rixon
Modems and associated products for data communications.

Measurement and Control-Europe

Enertec Division
Electricity meters, equipment for electrical power systems, electronic measuring and test instruments, data systems, transducers, professional audio equipment.

Sereg Division
Regulating equipment, gauges and valves, industrial control systems.

Flonic Division
Water and gas meters and industrial meters for other fluids, heating controls; castings, plastic parts, timing mechanisms.

Service Division
Products and services related to water and energy distribution.

International Division
Electricity, water and gas meters and systems manufactured in several countries of Europe and in Argentina, Brazil and Chile.

Solartron/Sangamo Weston (U.K.) Division
Electricity meters, electrical and electronic measuring instruments.

Oilfield Services

Wireline Services
Wireline service companies provide measurements of physical properties of underground formations which help locate and define oil and gas reservoirs and assist in completion, development and production phases of oil wells.

Vector
Cables for well logging, oceanography and geophysical exploration.

Schlumberger Limited

Drilling Services & Production Services

Forex Neptune
Offshore and land drilling.

Flopetrol
Services and tools for oil well completion, production, and secondary recovery.

Johnston-Macco
Services and tools for oil completion, testing and workover.

The Analysts
Mud logging, computer-assisted analysis of drilling, downhole measurement while drilling services.

Dowell-Schlumberger (50% owned)
Cementing, acidizing, fracturing, formation testing and directional drilling services.

Fairchild Camera and Instrument Corporation
464 Ellis Street
Mountain View, California 94042

Manufactures and markets semiconductor devices; electronic test systems, instruments, and microprocessors: Audio-visual and aviation products. The company is also engaged in the development and production of space and defense systems and products for NASA, the military services and other government customers.

Acquisition(s):

Applicon Incorporated (January 12, 1982)
32 Second Avenue
Burlington, Massachusetts 01803
(617) 272-7070

Manufactures and markets interactive graphics systems used in computer-aided design and computer-aided manufacture (CAD/CAM).

Transfer Agent(s):

Citibank N.A.
New York, New York

Bank of the Southwest
Houston, Texas

Stock Exchange(s): New York, Paris, London, Amsterdam, Geneva

Ticker Symbol: SLB

Number of Employees:

1981	86,000	1978	52,000
1980	83,532	1977	45,000
1979	81,532		

Sales and Earnings

	Net Sales +	Net Income
1981	$5,977,938,000	$1,265,975,000
1980	5,137,115,000	994,347,000
1979	3,641,438,000	658,396,000
1978	2,683,942,000	501,973,000
1977	2,205,710,000	401,492,000

	No. of Com. Shares †	Earn. per Share †
1981	289,486,000	$ 4.37
1980	286,146,000	3.47
1979	286,014,000	2.30
1978	286,834,000	1.75
1977	289,485,000	1.39

+ Includes services and other income.
† Based on the average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Oilfield services	$ 3,788,000	$ 2,814,000
Measurement & control	1,995,000	2,070,000
Interest and other income	195,000	153,000
Gain on sale of Rowan sales	—	100,000
Total	$ 5,978,000	$ 5,137,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.77	—	3-for-2
1980	0.63	—	3-for-2
1979	0.49	—	3-for-2
1978	0.37	—	—
1977	0.28	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$4,234,633,000	$ 14.63
1980	3,218,401,000	11.25
1979	2,400,327,000	8.39
1978	1,899,995,000	6.62
1977	1,549,885,000	5.35

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales & services	$ 5,783,269	$ 4,883,944
Other income	194,669	153,333
Gain on sale of Rowan shares	—	99,838
Total income	$ 5,977,938	$ 5,137,115
Cost of sales & services	3,243,837	2,813,089
Expenses	780,303	705,568
Interest expense	107,854	101,752
Income before taxes	$ 1,845,944	$ 1,516,706
Income taxes	579,969	522,359
Net Income	$ 1,265,975	$ 994,347

* Included in Costs and Expenses, Depreciation: $444,856 in 1981 and $335,313 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 18,371	$ 18,445
Investments	1,663,817	1,217,448
Receiv., net	1,182,776	1,050,792
*Inventories	612,384	589,882
Other assets	63,017	55,147
Current Assets	$ 3,540,365	$ 2,931,714
Investments & receiv.	271,055	214,804
#Fixed assets	2,390,909	1,758,592
Exc. of invest. over net assets of subsid. purch.	291,212	296,270
Other assets	31,792	40,622
Total Assets	$ 6,525,333	$ 5,242,002

Liabilities
(000's)

Long-term debt, curr.	$ 13,065	$ 68,092
Accts. payable & accruals	780,066	730,666
Bank loans	428,894	193,488
Dividends payable	57,900	47,772
Income taxes	623,048	642,940
Curr. Liabilities	$ 1,902,973	$ 1,682,958
Long-term debt	278,339	237,701
Other liabilities & reserves	90,308	86,851
Minority interest	19,080	16,091
+Common stock	307,210	281,470
Retained earnings	4,167,312	3,110,664
Treasury stock	(239,889)	(173,733)
Total Liabilities & Shareholders' Equity	$ 6,525,333	$ 5,242,002

* At lower of average or standard or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	31.92	31.05
%Net Income to Sales	21.89	20.35
%Net Income to Equity	29.90	30.89
Working Capital	$1,637,392,000	$1,248,756,000
Current Ratio	1.86	1.74
Shareholders' Equity	$4,234,633,000	$3,218,401,000

SCI Systems, Inc.

P.O. Box 4000
Huntsville, Alabama 35802
(205) 881-1611

Officers: Olin B. King, president; A. Eugene Sapp, Jr., executive v.p.; Arthur E. Douyard, Louis Rachmeler, Stephen F. Thornton, v.p.'s; Charles H. Gunselman, Peter A. Highberg, William J. Kreidler, Leonard L. Mitchum, Jr., Thomas H. Southerland, Jerry F. Thomas, Charles O. Rigby, asst. v.p.'s; William J. Hebding, treasurer; Harvey D. Harkness, secretary.

Directors: Olin B. King*, chairman; Elliott Goldstein*, Thomas H. Lenagh*, Howard H. Callaway, W.L. Halsey, Jr., Charles M. Reynolds, Jr., Judith T. Connor.

*Member of the Executive Committee.

Areas of Work: Company engaged in research, development and manufacture of data management systems, flight test systems, data bus products, computer memories, communications products, aircraft controls and displays, missile electronics, and mission support integration for the government and aerospace industry; supervisory control systems for automation of oil, gas and water distribution, petrochemical process control, building utility control, traffic control functions, gas liquefication plants, coal to gas conversion plants and uranium enrichment plants; banking automation systems including a family of interactive terminals combined with distributed processors and application software; image processing using a computer to automaticaly process and analyze visual images in real time; currency handling products; telemetry transmitters and receivers used in cardiac monitoring systems; computer products; a family of advanced printers; injection molded plastics, expanded polystyrene plastics and thermosetting plastics; aluminum castings; and machined components.

Transfer Agent(s):

The Citizens & Southern National Bank
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCIS (NASDAQ)

Number of Employees:

1980	1,619	1977	880
1979	1,352	1976	1,113
1978	1,192		

Plant Footage:

1980	448,000 sq. ft.	1977	263,000
1979	263,000	1976	263,000
1978	263,000		

Sales and Earnings

	Net Sales	Net Income
1980	$ 46,737,047	$ 2,119,531
1979	36,771,800	1,412,157
1978	26,246,656	932,578
1977	28,633,018	713,858
1976	27,273,024	416,702

	No. of Com. Shares +	Earn. per Share †
1980	1,761,157	$1.20
1979	1,797,657	0.82
1978	1,463,513	0.64
1977	1,330,798	0.59
1976	1,112,227	0.36

+ Adjusted to reflect stock dividends.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1980 (000's)	%	1979 (000's)	%
Government programs	$22,500	48%	$19,371	53%
Automation systems	17,500	38	11,469	31
Commercial products	6,700	14	5,932	16
Total	$46,700	100%	$36,772	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1980	—	—	—
1979	—	—	—
1978	—	40%	—
1977	—	25%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1980	$ 18,107,467	$10.28
1979	16,323,500	9.08
1978	6,900,787	4.72
1977	5,348,480	4.02
1976	3,274,616 +	2.94

+ After allowing for preferred stock at redemption value of $100 per share.
† Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1980	1979
Net sales	$ 46,737,047	$ 36,771,800
Other income	756,876	415,320
Total income	$ 47,493,923	$ 37,187,120
Cost of sales & exp.	42,963,475	34,385,566
Interest expense	630,809	354,738
Other charges	95,308	94,359
Income before taxes	$ 3,804,331	$ 2,352,457
Income taxes	1,684,800	940,300
Net Income	$ 2,119,531	$ 1,412,157

* Included in Costs and Expenses, Depreciation and Amortization: $1,447,888 in 1980 and $1,131,623 in 1979.

Assets

As of June 30	1980	1979
Cash	$ 3,293,313	$ 4,762,780
Accts. receiv., net	8,138,786	6,119,300
Unreimbursed costs	324,243	325,788
* Inventories	13,968,807	7,999,813
Other current assets	198,980	166,707
Current Assets	$ 25,924,129	$ 19,374,388
# Fixed assets	8,81[illegible],255	7,003,658
Unexpanded bond funds	1,211,[illegible]83	—
Other assets	247,684	54,621
Total Assets	$ 36,193,551	$ 26,432,667

Liabilities

	1980	1979
Long-term debt, curr.	$ 348,333	$ 241,666
Accts. payable	4,340,553	2,576,854
Accruals	3,042,365	2,131,038
Income taxes	1,747,621	794,892
Curr. Liabilities	$ 9,478,872	$ 5,744,450
Long-term debt	7,482,212	3,549,717
Deferred inc. taxes	1,125,000	815,000
+ Common stock	176,116	179,766
Add. paid-in capital	11,107,965	11,439,879
Retained earnings	6,823,386	4,703,855
Total Liabilities & Shareholders' Equity	$ 36,193,551	$ 26,432,667

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.14	6.40
%Net Income to Sales	4.54	3.84
%Net Income to Equity	11.71	8.65
Sales to Inventories	3.35	4.60
Working Capital	$ 16,445,257	$ 13,629,938
Current Ratio	2.73	3.37
Shareholders' Equity	$ 18,107,467	$ 16,323,500

Scientific Industries, Inc.

70 Orville Drive
Airport International Plaza
Bohemia, N.Y. 11716
(516) 567-4700

Officers: Lowell A. Kleiman, president & treasurer; Charles N. Bellm, secretary; Claire McAuliffe, asst. sec.-asst. treas.

Directors: Charles N. Bellm, Joseph I. Kesselman, Lowell A. Kleiman, Roger B. Knowles, Arthur M. Bordon, Harry Rabinowitz.

Areas of Work: Produces scientific instruments and apparatus for laboratory use. Products include liquid mixers, peristaltic pumps, hospital supply sterilizers, and temperature gradient incubators.

Transfer Agent(s):
Continental Stock Transfer & Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCND (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,100,200	$ 74,400
1980	1,605,000	73,500
1979	1,243,655	26,933
1978	1,001,163	(50,561)
1977	1,035,108	(7,117)

	No. of Com. Shares	Earn. per Share ‡
1981	696,499	$ 0.11
1980	656,405	0.11
1979	656,405	0.04
1978	625,719	—
1977	596,511	—

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividens.

Revenues By Line of of Business

	1981	1980	1979	1978
Laboratory equipment	54%	65%	76%	83%
Sterilizers, autoclaves and similar devices	46	35	24	17
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	—	—
1979	—	5%	—
1978	—	5%	—
1977	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,087,600	$ 1.56
1980	998,000	1.52
1979	924,515	1.41
1978	898,110	1.44
1977	949,272	1.59

Income Account *

Year ended June 30	1981	1980
Net sales	$ 2,100,200	$ 1,605,000
Cost of sales	1,283,500	1,039,100
Expenses	712,000	469,900
Other income	10,400	(17,400)
Interest expense	100	500
Other charges	4,800	4,800
Income before taxes	$ 110,200	$ 108,100
Tax credit	35,800	34,600
Net Income	$ 74,400	$ 73,500

* Included in Costs and Expenses, Depreciation and Amortization: $35,400 in 1981 and $29,300 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 114,900	$ 43,300
Accts. receiv., net	329,700	304,200
*Inventories	716,600	697,600
Prepaid expenses	32,700	26,700
Current Assets	$ 1,193,900	$ 1,071,800
#Fixed assets	119,700	126,100
Other assets	26,800	34,500
Cash value of ins.	8,000	7,200
Intangibles	6,600	14,800
Total Assets	$ 1,355,000	$ 1,254,400

Liabilities

	1981	1980
Accts. payable	$ 53,600	$ 100,400
Accruals & cust. deposits	210,800	130,200
Income taxes	3,000	25,800
Curr. Liabilities	$ 267,400	$ 256,400
+Common stock	35,800	34,200
Add. paid-in capital	687,800	662,500
Retained earnings	416,400	374,900
Treasury stock	52,000	73,600
Total Liabilities & Shareholders' Equity	$ 1,355,000	$ 1,254,400

* At lower of cost (FIFO) or replacement market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.25	6.74
%Net Income to Sales	3.54	4.58
%Net Income to Equity	6.84	7.36
Sales to Inventories	2.93	2.30
Working Capital	$ 926,500	$815,400
Current Ratio	4.46	4.18
Shareholders' Equity	$1,087,600	$998,000

Scientific Radio Systems, Inc.

367 Orchard Street
Rochester, New York 14606
(716) 458-3733

Officers: Melvin S. Stiles, president; Harold F. Staudenmayer, v.p. & secretary; David W. Hoffman, vice president & treasurer; Neal Garman, vice president-marketing.

Directors: Melvin S. Stiles, chairman; Harold F. Staudenmayer, David W. Hoffman, Richard Calabrese, William Eckert, Elton Burgett.

Scientific Radio Systems, Inc.

Areas of Work: Designs, develops, manufactures and sells long range radio communications products such as linear amplifiers, antenna couplers, teletype terminals, voice privacy devices, high frequency single sideband transceivers and accessories. Also, VHF-FM and VHF-AM transmitters and receivers.

Transfer Agent(s):

Marine Midland Bank
Two Broadway
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	171	1978	176
1980	175	1977	155
1979	200		

Plant Footage:

1981	60,000 sq. ft.	1978	60,000
1980	60,000	1977	60,000
1979	60,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 7,258,953	$ 335,845
1980	5,580,062	196,132
1979	6,452,066	350,172
1978	5,920,288	318,561
1977	4,573,390	119,721

	No. of Com. Shares	Earn. per Share †
1981	971,310	$ 0.76
1980	420,053	0.45
1979	405,943	0.78
1978	435,417	0.70
1977	458,040	0.26

† Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,942,473	$ 7.60
1980	2,643,848	6.29
1979	2,412,702	5.94
1978	2,133,701	4.90
1977	1,877,835	4.01

Income Account *

Year ended June 30	1981	1980
Net sales	$ 7,258,953	$ 5,580,062
Cost of sales	4,513,155	3,381,007
Expenses	1,847,112	1,667,221
Oper. profit	$ 898,686	$ 531,834
Interest expense	355,841	250,702
Income before taxes	$ 542,845	$ 281,132
Income taxes	207,000	85,000
Net Income	$ 335,845	$ 196,132

* Included in Costs and Expenses, Depreciation: $103,639 in 1981 and $71,931 in 1980.

Assets

As of June 30	1980	1980
Cash	$ 49,205	$ 33,801
Cert. of deposit	59,304	46,636
Accts. receiv.,net	1,022,875	1,048,662
Cost in excess of amts. billed	771,565	440,281
Refundable inc. taxes	383,497	—
*Inventories	4,609,643	4,439,167
Prepaid expenses	18,442	24,081
Current Assets	$ 6,914,531	$ 6,032,628
#Fixed assets	630,031	659,749
Other assets	52,937	49,900
Total Assets	$ 7,597,499	$ 6,742,277

Liabilities

Note payable	$ —	$ 700,000
Long-term debt, curr.	313,044	311,984
Accts. payable	382,056	420,152
Accrued expenses	599,121	482,141
Accrued income taxes	—	11,173
Def. income taxes	—	102,853
Dividend payable	38,852	25,198
Curr. Liabilities	$ 1,333,073	$ 2,053,501
Long-term debt	1,521,799	1,059,843
Deferred income taxes	1,351,015	1,026,747
+Common stock	10,174	4,813
Add. paid-in capital	1,627,881	1,149,604
Retained earnings	1,891,676	1,594,797
Treasury stock	(37,258)	(105,366)
Receivable from Sales of Stock (loss)	(100,861)	(41,662)
Total Liabilities & Shareholders' Equity	$ 7,597,499	$ 6,742,277

* At lower of cost (weighted average) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.48	5.04
%Net Income to Sales	4.63	3.51
%Net Income to Equity	9.62	7.42
Sales to Inventories	1.57	1.26
Working Capital	$5,581,458	$3,979,127
Current Ratio	5.19	2.94
Shareholders' Equity	$3,492,473	$2,643,848

Scientific-Atlanta, Inc.

One Technology Parkway
Box 105600
Atlanta, Georgia 30348
(404) 441-4000

Officers: Sidney Topol, chairman of the board, president & chief executive officer; Jack R. Kelly, Jr., executive v.p. & chief operating officer; Harry Topliss, Jr., sr. v.p., treasurer, & chief financial officer; Hugh W. Ness, sr. v.p.-San Diego Group; William L. Davenport, v.p.; Charles S. Young, v.p.-instrumentation group; Jules E. Kadish, v.p.-international operations; H. Raymond Eckman, v.p.-operations; Henry M. Burt, v.p.-industrial products group; H. Allen Ecker, v.p.-telecommunications; John H. Levergood, v.p.-communications products group; Sezer M. Soylemez, v.p.-information management; Delwin Bothof, v.p.-marketing; William S. Brown, v.p.-manufacturing; David A. Eggers, secretary & general counsel; Julian W. Eidson, controller; Peggy W. Jones, asst. secretary, E. Keith Burnett, v.p.-government systems.

Directors: Glen P. Robinson, Jr., Jack R. Kelly, Jr., Wilbur B. King, Joseph M. Pettit, Sidney Topol, William B. Harrison, James V. Napier, Hugh W. Ness.

Areas of Work: Designs, manufactures and markets commercial electronic signal generating and receiving equipment consisting of a variety of standard and proprietary communications and instrumentation products. Communications products are used in satellite earth stations, cable television receiving and distribution systems, wireless home security systems and energy management systems. Communications products include antennas, receivers, transmitters and related electronic equipment. The Company's instrumentation products are used by a wide range of industrial and military customers to electronically test, measure and help control various equipment and processes. Instrumentation products consist of spectrum analyzers and systems, instruments to test and measure the quality and performance of various types of telecommunications equipment, antenna test and measurement products, telemetry products, and cabinets and enclosures.

Subsidiaries:

Scientific-Atlanta (U.K.) Ltd.
Staines, Middlesex, England

Scientific-Atlanta (Canada), Ltd.
Mississauga, Ontario, Canada

Scientific-Atlanta (France) S.A.R.L.
Le Blanc-Mesnil (Paris), France

Spectral Dynamics (U.K. Branch)
Hitchin, Herts, England

Spectral Dynamics (France) S.A.R.L.
Chatou, France

Spectral Dynamics Elektronik (Germany) GmbH
Munich, West Germany

Dymac Europe (Netherlands)
Oss, The Netherlands

McKettrick-Agnew & Co., Ltd.
East Lothian, Scotland

Scientific-Atlanta (Italy) S.p.A.
Rome, Italy

Homesat, Inc.
Atlanta, Georgia

Spectral Dynamics Corporation
San Diego, California

Adar Associates, Inc.
Burlington, Massachusetts

Systems Communications Cable, Incorporated
Phoenix, Arizona
Manufactures coaxial cable.

Transfer Agent(s):

The Citizens & Southern National Bank
99 Annex
Atlanta, Georgia 30303

Stock Exchange(s): New York

Ticker Symbol: SFA

Number of Employees:

1981	5,223	1978	2,600
1980	4,000	1977	1,550
1979	3,150		

Plant Footage:

1981	1,469,000 sq. ft.	1978	864,000
1980	1,441,000	1977	620,000
1979	1,100,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 277,292,000	$ 19,005,000
1980	191,997,000	12,721,000
1979	129,757,000	7,590,000
1978	98,698,000	5,542,000
1977	74,324,000	4,410,000

	No. of Com. Shares †	Earn. per Share ‡‡
1981	21,265,197	$ 0.90
1980	10,388,576	0.65
1979	4,452,229	0.45
1978	2,523,536	0.37

‡ Restated to include operations of companies acquired on a pooling of interests basis.
‡‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.
† Adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.085	—	2-for-1
1980	0.058	—	2-for-1
1979	0.043	—	3-for-2
1978	0.025	—	—
1977	0.015	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 109,767,000	$ 5.16
1980	86,341,000	8.61

1979	49,515,000	11.12
1978	31,301,000	12.40

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 277,292	$ 191,997
Cost of sales	185,760	121,748
Expenses	56,970	45,209
Other income	(2,745)	(237)
Interest expense	3,731	2,257
Income before taxes	$ 33,576	$ 23,020
Income taxes	14,571	10,299
Net Income	$ 19,005	$ 12,721

* Included in Costs and Expenses, Depreciation: $5,158,000 in 1981 and $3,481,000 in 1980.

Assets
(000's)

As of June 30	1981	1980
Cash	$ 3,784	$ 3,117
Receivables, net	70,909	47,859
*Inventories	78,306	54,845
Current Assets	$ 152,999	$ 105,821
#Fixed assets	38,265	31,082
Other assets	5,946	1,964
Total Assets	$ 197,210	$ 138,867

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 11,987	$ 2,422
Accts. payable	23,304	12,595
Accruals	16,841	11,414
Income taxes	8,912	7,522
Curr. Liabilities	$ 61,044	$ 33,953
Long-term debt	18,523	13,254
Deferred inc. taxes	7,876	5,319
+Common stock	10,633	5,194
Add. paid-in capital	52,709	46,612
Retained earnings	46,425	34,535
Total Liabilities & Shareholders' Equity	$ 197,210	$ 138,867

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.11	11.99
%Net Income to Sales	6.85	6.63
%Net Income to Equity	17.31	14.73
Sales to Inventories	3.54	3.50
Working Capital	$ 91,955,000	$71,868,000
Current Ratio	2.51	3.12
Shareholders' Equity	$109,767,000	$86,341,000

Scintrex Limited

222 Saidercroft Road
Concord, Ontario, Canada L4K 1B5
(416) 669-2280

Officers: Harold O. Seigel, president; Gerald Stork, v.p.-finance & adm.; Jon G. Baird, v.p.-marketing; Anthony W. Howland-Rose, v.p.; Alfred J. Shaul, secretary.

Directors: Harold O. Seigel, Alfred J. Shaul, William L. Seigel, Gerald Stork, Jon G. Baird, Harold I. Schiff, J. Denis Whitaker.

Areas of Work: Manufactures contract instrumentation, including spectrometers, advanced radiometric instruments, uranium exploration devices, and other earth science and nuclear power instrumentation devices.

Subsidiaries:

Scintrex Pty. Ltd.
1031 Wellington Street
West Perth, Australia 6005

6 Tramore Place
Killarney Heights
N.S.W., Australia 2087

Scintrex, Inc.
1973 West North Temple
Salt Lake City, Utah 84116
(801) 532-2447

Transfer Agent(s):

Guaranty Trust Company of Canada

Stock Exchange(s): Toronto

Ticker Symbol: SCT

Number of Employees:

1981	225	1978	185
1980	185	1977	150
1979	185		

Plant Footage:

1981	46,000 sq. ft.	1978	46,000
1980	46,000	1977	46,000
1979	46,000		

Sales and Earnings

	Net Sales	Net Income †
1982	$ 14,811,585	$ 1,003,090
1981	12,505,468	547,628
1980	11,222,237	953,845
1979	9,007,473	826,589
1978	5,849,762	357,223

	No. of Com. Shares	Earn. per Share ‡ †
1982	1,051,065	$ 1.05
1981	893,865	0.59
1980	883,741	1.06
1979	879,741	0.92
1978	856,906	0.39

† Including extraordinary gains of $101,000 ($0.11 per share) in 1979, and $166,244 ($0.19 per share) in 1978.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1982	$ 6,579,411	$ 6.26
1981	4,205,478	4.70
1980	3,623,399	4.10
1979	2,709,182	3.10
1978	1,864,557	2.17

‡ After allowing for preferred stock at par value.

Income Account

Year ended Jan. 31	1982	1981
Net sales	$ 14,811,585	$ 12,505,468
Cost of sales & expenses	11,342,104	9,919,207
Expenses	1,624,118	1,552,843
Depreciation & amortization	502,484	468,855
Interest expense	150,820	192,401
Research & develop. grants	(197,192)	(328,866)
Income before taxes	$ 1,288,090	$ 701,028
Income taxes	285,000	153,400
Net Income	$ 1,003,090	$ 547,628

Assets

As of Jan. 31	1982	1981
Cash	$ 1,135,775	$ 72,842
Accts. receiv., net	2,207,164	2,694,201
*Inventories	2,905,112	2,843,297
Prepaid expenses	75,036	25,323
Survey contracts	183,396	408,188
Current Assets	$ 6,506,483	$ 6,043,851
#Fixed assets	2,468,825	2,130,093
Other assets	10,000	139,303
Total Assets	$ 8,985,308	$ 8,313,247

Liabilities

Notes payable	$ —	$ 1,576,482
Bank indebtedness	162,405	211,465
Accts. payable & accruals	1,324,521	1,653,556
Income taxes	396,093	44,532
Deferred inc. taxes	63,378	176,234
Curr. Liabilities	$ 1,946,397	$ 3,662,269
Deferred inc. taxes	132,000	118,000
+Preferred stock	327,500	327,500
+ +Common stock	2,795,996	1,395,119
Contr. surplus	18,902	18,902
Retained earnings	3,774,897	2,791,457
Treasury stock	(10,384)	—
Total Liabilities & Shareholders' Equity	$ 8,985,308	$ 8,313,247

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ $1 par value.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.70	5.61
%Net Income to Sales	6.77	4.38
%Net Income to Equity	14.52	12.08
Sales to Inventories	5.10	4.40
Working Capital	$4,560,086	$2,381,582
Current Ratio	3.34	1.65
Shareholders' Equity	$6,906,911	$4,532,978

SCM Corporation

299 Park Avenue
New York, New York 10171
(212) 752-2700

Officers: Paul H. Elicker, president & chairman; George E. Hall, sr. v.p.-adm.; Paul W. Neidhardt, sr. div. pres.; William L. Rodich, v.p., pres.-Chemical/Metallurgical Div.; George F. Burns, v.p., pres.-Consumer Products Div.; William V. Cawley, v.p. & treasurer; Herbert H. Egli, v.p.-finance; Richard Sexton, v.p., general counsel & secretary; Edward J. Romay, v.p.; William D. Kinsell, Jr., v.p., pres.-Glidden Coatings & Resins Div.; Robert E. Dorfmeyer, v.p., pres.-Durkee Foods Div.; Ernest J. Klimczak, v.p.-pres.-Allied Paper, Inc.; James Balph, Victor E. Feuerherd, Gerard F. Stoddard, v.p.'s.

Directors: Robert O. Bass*, John T. Booth, George F. Burns, Lewis H. Durland, Paul H Elicker*, George E. Hall*, George D. Kennedy*, E. Everett Smith, William W. Quinn, Richard C. Bond*.

*Member of Executive Committee.

Areas of Work: Manufactures products which are sold in consumer, industrial and office markets. Consumer products include Smith-Corona typewriters, Glidden paints, Proctor-Silex appliances and Durkee Foods. Industrial products include chemical coatings, industrial and institutional foods, pigments and colors, metal powders, pulp and paper, organic chemicals, ceramic frits, industrial dryers and industrial processing equipment. Office products include typewriters, business forms and stationery, and telecommunications equipment for military and commercial users.

SCM Corporation

Divisions:

Consumer Products Division
299 Park Avenue
New York, New York 10171
(212) 752-2700

Glidden Coatings and Resins Division
900 Union Commerce Building
Cleveland, Ohio 44115
(216) 771-5121

Kleinschmidt Division
Lake Cook Road
Deerfield, Illinois 60015
(312) 945-1000

Allied Paper Division
1608 Lake Street
Kalamazoo, Michigan 49003
(616) 345-7131

Chemical/Metallurgical Division
Baltimore, Maryland

Organic Chemicals Division
Jacksonville, Florida

Durkee Foods Division
Cleveland, Ohio

Transfer Agent(s):

Bradford Trust Company
67 Broad Street
New York, New York 10004

Stock Exchange(s): New York, Pacific

Ticker Symbol: SCM

Number of Employees:

1981	27,600	1978	27,400
1980	27,400	1977	25,500
1979	28,600		

Sales and Earnings

	Net Sales	Net Income
1981	$1,938,446,000	$ 56,511,000
1980	1,892,392,000	53,861,000
1979	1,753,723,000	47,352,000
1978	1,509,307,000	37,580,000
1977	1,377,644,000	37,412,000

	No. of Com. Share	Earn. per Share #
1981	9,466,000	$ 5.80
1980	9,588,000	5.55
1979	9,545,000	4.98
1978	9,212,000	4.03
1977	9,196,000	4.01

Based on the weighted average number of shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Coatings & resins	$ 547,719	$ 496,200
Typewriters & appliances	373,169	345,300
Food	421,316	459,000
Business equipment	—	35,600
Chemicals	263,249	247,200
Paper products	322,156	297,000
Other	38,380	36,100
Eliminations	(27,543)	(24,000)
Total	$ 1,938,446	$ 1,892,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.85	—	—
1980	1.425	—	—
1979	1.15	—	—
1978	1.025	—	—
1977	0.85	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 489,038,000	$ 51.66
1980	455,345,000	47.49
1979	414,447,000	43.42
1978	372,134,000	40.40
1977	343,649,000	37.37

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 1,938,446	$ 1,892,392
Cost of sales	1,410,331	1,386,191
Expenses	423,374	392,382
Interest expense	27,664	28,554
Other income	(2,660)	(4,485)
Income before taxes	$ 79,737	$ 89,750
Income taxes	23,226	35,889
Net Income	$ 56,511	$ 53,861

* Included in Costs and Expenses, Depreciation: $39,578 in 1981 and $34,919 in 1980.

Assets
(000's)

As of June 30	1981	1980
Cash	$ 6,120	$ 6,025
Marketable securities	5,811	4,833
Accts. receiv., net	268,739	246,194
* Inventories	354,661	356,170
Prepaid exp. & deferred taxes	13,713	18,558
Current Assets	$ 649,044	$ 631,780
#Fixed assets	404,077	349,885
Other assets	24,359	26,923
Total Assets	$ 1,077,480	$ 1,008,588

Liabilities
(000's)

	1981	1980
Loans payable	$ 54,523	$ 47,058
Long-term debt, curr.	2,079	2,827
Accts.payable	119,247	97,841
Accruals	112,103	101,333
Income taxes	454	13,677
Curr. Liabilities	$ 288,406	$ 262,736
Long-term debt	238,062	229,447
Other liabilities	24,162	29,552
Deferred inc. taxes	37,812	31,508
+ Common stock	48,359	47,942
Add. paid-in capital	117,219	116,505
Retained earnings	329,647	290,898
Treasury stock (loss)	(6,187)	—
Total Liabilities & Shareholders' Equity	$ 1,077,480	$ 1,008,588

* At lower of average cost or market except pulp, paper and raw material content of edible oils at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.11	4.74
%Net Income to Sales	2.92	2.85
%Net Income to Equity	11.56	11.83
Sales to Inventories	5.47	5.31
Working Capital	$360,638,000	$369,044,000
Current Ratio	2.25	2.40
Shareholders' Equity	$489,038,000	$455,345,000

SCOPE Incorporated

1860 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-5600

Officers: William C. Schaub, chairman of the board & president; Linus G. Schwartz, exec. v.p.; Howard E. Cochran, v.p.-finance & treasurer; Maurice I. Stein, v.p., Robert B. Hirsch, secretary.

Directors: William C. Schaub, chairman; Robert B. Hirsch, Joseph A. Hohos, John S. McCullough, Paul K.McKenney, Jr., Linus G. Schwartz, Herman B. McManaway, Kenneth M. Miller.

Areas of Work: Operates principally in three industry segments of business: distribution systems, communications equipment and information systems. Operations in distribution systems involve the production and sale of electronic weight-measurement equipment employed in material handling, warehousing, packaging and manufacturing; computerized order entry and order processing systems; and material-handling conveyor systems. Operations in communications involve the production and sale of land-mobile industrial radios and data collection terminals. Operations information systems and federal defense, principally involve federal defense contracts.

Subsidiaries:

MRC Corporation
11212 McCormick Road
Hunt Valley, Maryland 21031
(301) 628-1300

SCOPE Electronics, Inc.
1860 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-5600

REPCO Incorporated
2421 North Orange Blossom Trail
Orlando, Florida 32804
(305) 843-8494

National Controls, Inc.
2320 Airport Boulevard
Santa Rosa, California 95401

Transfer Agent(s):

First & Merchants National Bank
12th & Main Streets
Richmond, Virginia 23261

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCPE (NASDAQ)

Number of Employees:

1981	1,521	1978	1,680
1980	1,550	1977	924
1979	1,574		

Plant Footage:

1981	560,400 sq. ft.	1978	493,950
1980	605,500	1977	307,000
1979	697,650		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 73,635,963	$ (1,805,510)
1980	65,158,137	2,498,480
1979	59,596,366	2,298,270
1978	52,858,503	3,736,127
1977	36,322,476	2,655,206

	No. of Com. Shares	Earn. per Share #
1981	1,125,642	$ —
1980	1,215,642	2.06
1979	1,215,642	1.89
1978	1,215,642	3.08
1977	1,208,442	2.20

(Loss)
‡ Includes contract income, of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1981	1980
Measurement equip.	$ 40,872,000	$ 35,863,000
Communications equip.	21,300,000	20,458,000
Automation equip.	11,464,000	8,837,000
Total	$ 73,636,000	$ 65,158,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.60	—	—
1980	0.60	—	—
1979	0.60	—	—
1978	0.50	—	—
1977	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 22,958,450	$ 18.89
1980	24,019,349	19.76
1979	22,730,719	18.70
1978	21,736,499	17.88
1977	18,963,756	15.69

Income Account *

Year ended Dec. 31	1981	1980
Net sales & other income	$ 73,635,963	$ 65,158,137
Cost of sales	43,821,264	39,412,152
Expenses	22,249,257	18,564,867
Depreciation and amortization	1,833,298	1,375,259
Interest expense	4,465,951	2,826,668
Invest. income	(361,124)	(351,899)
Loss on market. secur.	1,385,721	—
Other income	(377,519)	(154,992)
Income before taxes	$ 619,115	$ 3,486,082
Income taxes	432,000	918,800
Inc.—cont. oper.	$ 186,915	$ 2,567,282
Loss—discont. oper.	(1,992,425)	(68,802)
Net Income (Loss)	$ (1,805,510)	$ 2,498,480

Assets

As of Dec. 31	1981	1980
Cash	$ 1,066,375	$ 741,590
Market eq. secur.	2,698,648	—
Receiv.,net	15,641,541	16,570,303
Refundable taxes	678,036	475,208
*Inventories	23,281,180	19,800,259
Prepaid expenses	363,803	474,717
Current Assets	$ 43,729,583	$ 38,062,077
Investments	375,645	3,077,944
#Fixed assets	11,906,892	9,748,251
Intangibles	568,104	1,343,241
Total Assets	$ 56,582,224	$ 52,231,513

Liabilities

	1981	1980
Notes payable	$ 9,150,000	$ 11,200,000
Long-term debt, curr.	1,867,014	143,241
Accounts. payable	2,989,589	2,952,289
Accruals	4,539,702	4,095,569
Income taxes	61,901	6,274
Curr. Liabilities	$ 18,608,206	$ 18,397,373
Notes payable	13,605,337	8,325,369
Deferred inc. taxes	469,914	572,514
Deferred comp.	643,807	542,244
Deferred income	296,510	374,664
+Common stock	1,252,912	1,252,912
Add. paid-in capital	6,819,784	6,819,784
Retained earnings	15,282,799	17,817,694
Net loss on marketable equity securities	—	(1,473,996)
Treasury stock	(397,045)	(397,045)
Total Liabilities & Shareholders' Equity	$ 56,582,224	$ 52,231,513

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	10.40
Working Capital	$25,121,377	$19,664,704
Current Ratio	2.35	2.07
Shareholders' Equity	$22,958,450	$24,019,349

Semicon, Inc.

10 North Avenue
Burlington, Massachusetts 01803
(617) 272-9015

Officers: Rolland V. Robison, president; Robert E. House, exec. v.p.; Herbert N. Goldman, sr. v.p.; Richard C. Allard, treasurer & v.p.-finance; Robert A. Irvin, v.p.-marketing; Thomas, L. Arena, president-Microfab, Inc. Walter M. Petrosky, president, ST-Semicon, Inc.

Directors: Herbert N. Goldman, Robert E. House, Rolland V. Robison, Charles T. Russell, Jr., Mary E. Weber.

Areas of Work: Engaged in the manufacture and sale of semiconductor devices such as zener diodes, high voltage diodes and rectifiers, primarily to the television, industrial, commercial, telephone, military, computer and automotive industries. Also manufactures printed circuit boards and semiconductor test devices.

Subsidiaries:

Microfab, Inc.
Amesbury, Massachusetts

Semidyne, Inc.
Burlington, Massachusetts

Semicon Ventures Inc.
Burlington, Massachusetts

ST-Semicon, Inc.
Bloomington, Indiana

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
(common stock)
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEME (NASDAQ)

Number of Employees:

1981	576	1978	503
1980	561	1977	337
1979	559		

Plant Footage:

1981	159,000 sq. ft.	1978	133,000
1980	158,000	1977	63,000
1979	158,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 23,780,000	$ 789,000
1980	23,146,000	1,213,000
1979	19,033,000	927,000
1978	15,081,000	778,000
1977	9,514,036	574,665

	No. of Com. Shares #	Earn. per Share #
1981	2,911,000	$ 0.27
1980	2,917,000	0.42
1979	2,965,000	0.32
1978	2,972,000	0.26
1977	2,980,000	0.20

# Based on average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	—
1979	—	—	2-for-1
1978	—	—	—
1977	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 4,458,000	$ 1.53
1980	3,857,000	1.32
1979	2,844,000	0.96
1978	2,022,000	0.68
1977	1,214,212	0.41

† Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 23,780,000	$ 23,146,000
Other income	507,000	22,000
Total income	$ 24,287,000	$ 23,168,000
Cost of sales	18,207,000	17,283,000
Expenses	3,574,000	2,930,000
Interest & debt expense	1,110,000	728,000
Income before taxes	$ 1,396,000	$ 2,227,000
Income taxes	607,000	1,014,000
Net Income	$ 789,000	$ 1,213,000

* Included in Costs and Expenses, Depreciation and Amortization: $609,000 in 1981 and $527,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 715,000	$ 178,000
Accts. receiv., net	4,453,000	3,149,000
*Inventories	4,794,000	3,938,000
Prepaid expenses	214,000	122,000
Current assets	$ 10,176,000	$ 7,387,000
#Fixed assets	6,219,000	3,402,000
Other assets	1,780,000	279,000
Total Assets	$ 18,175,000	$ 11,068,000

Liabilities

	1981	1980
Notes payable	$ 196,000	$ 1,104,000
Long-term debt, curr.	95,000	241,000
Accts. payable	2,059,000	2,110,000
Accrued payroll	699,000	606,000
Accrued interest	497,000	50,000
Income taxes	20,000	361,000
Curr. Liabilities	$ 3,566,000	$ 4,472,000
Long-term debt	9,823,000	2,492,000
Deferred inc. taxes	328,000	247,000
+Common stock	755,000	754,000
Add. paid-in capital	219,000	196,000
Retained earnings	4,218,000	3,429,000
Treasury stock	(582,000)	(344,000)
Unearned compensation	(152,000)	(178,000)
Total Liabilities & Shareholders' Equity	$ 18,175,000	$ 11,068,000

* At lower of estimated cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.87	9.62
%Net Income to Sales	3.32	5.24
%Net Income to Equity	17.70	31.45
Sales to Inventories	4.96	5.88
Working Capital	$6,610,000	$2,915,000
Current Ratio	2.85	1.65
Shareholders' Equity	$4,458,000	$3,857,000

Semtech Corporation

652 Mitchell Road
Newbury Park, California 91320
(213) 628-5392

Officers: Harvey Stump, president; Gustav H.D. Franzen, executive vice president; William B. Krause, vice president-marketing; Charles P. Cunningham, v.p.-finance; Alan Gateka, v.p.-engineering; Raymond Greaves, v.p.-materiel; Mary K. Sherman, v.p.-adm.; John M. Anglin, secretary.

Directors: Joseph S. O'Flaherty, chairman; Harvey Stump, J. Spencer Letts, Gustav H.D. Franzen, Thomas L. Kempner, William B. Krause, Harold Joseph Smead.

Areas of Work: Manufactures discrete silicon rectifiers, standard and special arrays, and submarine and standard rectifiers.

Subsidiaries:

Semtech Ltd.
Whitehall Industrial Estate
Glenrothes, Fife, Scotland
Glenrothes 773520

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American

Ticker Symbol: SMH

Number of Employees:

1981	450	1978	600
1980	590	1977	550
1979	680		

Plant Footage:

1981	157,000 sq. ft.	1978	142,000
1980	153,000	1977	142,000
1979	142,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 13,810,000	$ (36,000)
1981	15,098,000	160,000
1980	15,912,000	1,059,000
1979	15,357,000	948,000
1978	14,205,000	792,000

	No. of Com. Shares	Earn. per Share ‡
1982	1,727,359	$ —
1981	1,667,580	0.09
1980	1,629,252	0.61
1979	1,582,357	0.55
1978	1,536,797	0.46

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$ —	3%	—
1981	0.15	3%	—
1980	0.20	3%	—
1979	0.20	3%	—
1978	0.15	3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 10,670,000	$ 6.18
1981	10,711,000	6.20
1980	10,806,000	6.25
1979	10,074,000	5.83
1978	9,366,000	5.42

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 13,810,000	$ 15,098,000
Cost of sales	9,797,000	10,361,000
Expenses	4,128,000	4,590,000
Interest expense (income)	197,000	72,000
Income (loss) before taxes	$ (312,000)	$ 75,000
Income taxes (credit)	(276,000)	(85,000)
Net Income (Loss)	$ (36,000)	$ 160,000

* Included in Costs and Expenses, Depreciation and Amortization: $701,000 in 1982 and $673,000 in 1981.

Assets

As of Jan. 31	1982	1981
Cash	$ 395,000	$ 103,000
Receiv., net	2,113,000	2,542,000
*Inventories	6,343,000	6,636,000
Prepaid expenses	43,000	66,000
Refundable taxes	158,000	249,000
Current Assets	$ 9,052,000	$ 9,596,000
#Fixed assets	4,028,000	4,614,000
Total Assets	$ 13,080,000	$ 14,210,000

Liabilities

	1982	1981
Short-term borr.	$ —	$ 800,000
Notes payable-curr.	290,000	—
Cap. lease oblig., curr.	47,000	60,000
Accts. payable	428,000	1,085,000
Accruals	606,000	770,000
Curr. Liabilities	$ 1,371,000	$ 2,715,000
Cap. lease oblig.	536,000	173,000
Deferred inc. taxes	503,000	611,000
+Common stock	32,000	32,000
Add. paid-in capital	4,713,000	4,315,000
Retained earnings	5,925,000	6,364,000
Total Liabilities & Shareholders' Equity	$ 13,080,000	$ 14,210,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1982	1981
%Income bef. Taxes to Sales	—	—
%Net Income to Sales	—	1.06
%Net Income to Equity	—	1.49
Sales to Inventories	2.18	2.28
Working Capital	$ 7,681,000	$ 6,881,000
Current Ratio	6.60	3.53
Shareholders' Equity	$10,670,000	$10,711,000

Sensormatic Electronics Corporation

500 N.W. 12th Avenue
Hillsboro Plaza
Deerfield Beach, Florida 33441
(305) 427-9700

Officers: Ronald G. Assaf, chairman of the board & president; James E. Lineberger, chairman of the executive committee; George M. Harbin, Jr., exec. v.p.; David R. Humble, vice president-future products; Leonard R. Barbato, vice president-finance, secretary & treasurer; William G. Weider, v.p.-manufacturing; David F. Fowler, v.p.-engineering; Dennis C. Gillette, v.p.-marketing, Eastern Region; Albert R. Tate, Jr., v.p.-marketing, Western region.

Directors: Ronald G. Assaf, chairman; James E. Lineberger, Arthur G. Milnes, Jerome M. LeWine, Allen J. Dussault, Arthur S. Nicholas.

Areas of Work: Designs and manufactures electronic surveillance systems which consist of an electronic transmitter and coordinated receiver placed at the exits of stores and a supply of specially designed and sensitized tags.

Divisions and Subsidiaries:

Eastern Region
415 Madison Avenue
19th Floor
New York, New York 10017

Western Region
2394 Royal Oaks Drive
Alamo, California 94507

Senelco France S.A.
19 Avenue Gourgaud
75017 Paris
France

Senelco (Benelux) S.A.
Avenue du Roi Albert 177
Bte 12
1080 Brussels
Belgium

Senelco Ges.m.b.H.
Markgraf-Rudrigerstrasse 6
1150 Vienna
Austria

Senelco Italia S.R.L.
Via Cesare de Sesto 15
20123 Milan, Italy

Senelco Benelux NV
Filiaal Sensormatic
P/A Post Bus 17
2470 CA Kemerik
The Netherlands

Sensormatic de Puerto Rico
Pridco T-1236
State Road No. 125
Moca, Puerto Rico 00716

Senelco Iberia, Inc.
C/Valazquez 138
Madrid 6
Spain

Senelco A.G.
Im Rotal 10a
Post Fach 38
CH-6300 Zug, Switzerland

Senelco GmbH
Kaiserwerther Strasse 289
4000 Dusseldorf 30
West Germany

Transfer Agent(s):

Southeast Banks Trust Company, N.A.
P.O. Box 013979
Miami, Florida 33101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNSR (NASDAQ)

Number of Employees:

1981	899	1978	510
1980	811	1977	328
1979	811		

Plant Footage:

1981	136,075 sq. ft.	1978	85,000
1980	85,000	1977	41,000
1979	85,000		

Sales and Earnings

	Revenues	Net Income #
1981	$ 50,718,000	$ 10,178,000
1980	39,448,000	6,031,000
1979	27,888,000	4,425,000
1978	19,153,000	3,284,000
1977	13,791,000	3,045,000

	No. of Com. Shares †	Earn. per Share ‡#
1981	6,544,478	$ 1.43
1980	6,233,694	0.94
1979	5,316,360	0.75
1978	5,005,938	0.57
1977	4,800,842	0.58

# Including extraordinary gains of $288,000 ($0.05 per share) in 1978 and $1,480,000 ($0.28 per share) in 1977.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.08	—	2-for-1
1980	0.06	—	—
1979	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 43,759,000	$ 6.69
1980	32,700,000	5.25
1979	16,515,000	3.11
1978	10,970,000	2.19
1977	7,065,000	1.47

† Adjusted to reflect stock split.

Income Account *

Year ended May 31	1981	1980 ‡
Revenues	$ 50,718,000	$ 39,448,0000
Cost of sales	11,107,000	9,015,000
Expenses	18,687,000	14,772,000
Depreciation	5,042,000	3,777,000
Int. income	(2,431,000)	(402,000)
Int. expense	1,948,000	707,000
Amortization	196,000	191,000
Other expense	474,000	289,000
Income before taxes	$ 15,695,000	$ 11,099,000
Income taxes	5,517,000	5,068,000
Net Income	$ 10,178,000	$ 6,031,000

‡ Reclassified to conform to current presentation.

Assets

As of May 31	1981	1980
Cash	$ 24,253,000	$ 5,116,000
Accts. receiv., net	33,018,000	20,506,000
#Fixed assets	33,651,000	22,963,000
Deferred charges & other assets	4,503,000	3,039,000
Total Assets	$ 95,425,000	$ 51,624,000

Liabilities

	1981	1980
Notes payable	$ 5,397,000	$ 3,623,000
Accts. payable	2,063,000	3,385,000
Accruals	6,592,000	3,479,000
Income taxes	3,427,000	1,228,000
Deferred income taxes	9,094,000	7,061,000
8¼% deben.	24,995,000	—
+ Preferred stock	98,000	148,000
+ Common stock	65,000	62,000
Add. paid-in capital	25,444,000	23,561,000
Retained earnings	19,313,000	9,653,000
Treasury stock	(1,063,000)	(576,000)
Total Liabilities & Shareholders' Equity	$ 95,425,000	$ 51,624,000

‡ Reclassified to conform to current presentation.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	30.95	28.14
%Net Income to Revenues	20.07	15.29
%Net Income to Equity	23.26	18.44
Shareholders' Equity	$43,759,000	$32,700,000

Sentry Manufacturing Company

Crystal Park
Chickasha, Oklahoma 73018
(405) 224-6780

Officers: Joe C. Norman, chairman of the board, president & chief executive officer; George E. Orr, sr. v.p. & chief operating officer; Roger D. Wright, controller & asst. secretary; Don McElroy, v.p.; Hugh D. Rice, secretary.

Directors: Joe C. Norman, chairman; Malcolm D. Abel, Charles Allen, W.G. Poole, Hugh D. Rice, D. Gordon Wiley, Robert L. Keirsey.

Areas of Work: Manufactures frequency determining crystals for radio, and other applications, oscillator assemblies, communication product assemblies and positive temperature coefficient resistors.

Divisions and Subsidiaries:

Sentry de Mexico, S.A. de C.V. (96% owned)
Juarez, Mexico

Crystal Devices Division
Phoenix, Arizona
Manufactures monolithic crystal filters.

Transfer Agent(s):

Liberty National Bank & Trust Company
100 Broadway
Oklahoma City, Oklahoma 73102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNTC (NASDAQ)

Number of Employees:

1981	225	1978	194
1980	208	1977	178
1979	173		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 3,496,654	$ 199,168
1980	3,588,756	368,287
1979	2,559,912	(173,170)
1978	2,296,439	53,939
1977	2,784,943	(844,545)

	No. of Com. Shares	Earn. per Share † ‡
1981	720,542	$ 0.31
1980	595,542	0.62
1979	595,542	—
1978	595,542	0.09
1977	595,542	—

(Loss)
† Including extraordinary gains of $76,000 ($0.12 per share) in 1981 and $115,000 ($0.19 per share) in 1980.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,764,897	$ 2.45
1980	1,317,504	2.21
1979	949,217	1.59
1978	1,122,387	1.88
1977	1,042,248	1.75

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 3,496,654	$ 3,588,756
Cost of sales	2,229,049	2,253,529
Expenses	968,686	889,580
Interest expense	110,221	129,272
Other income	(10,470)	(51,912)
Income before taxes	$ 199,168	$ 368,287
Income taxes	76,000	115,000
Net Income	$ 123,168	$ 253,287
Extraord. credit	76,000	115,000
Net Income & Extraord. Credit	$ 199,168	$ 368,287

* Included in Costs and Expenses, Depreciation: $45,839 in 1981 and $81,298 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & Time deposits	$ 148,030	$ 340,117
Accts. receiv., net	543,509	619,208
*Inventories	1,442,156	918,118
Prepaid expenses	41,479	47,515
Current Assets	$ 2,175,174	$ 1,924,958
#Fixed assets	628,520	625,228
Other assets	299,436	303,004
Total Assets	$ 3,103,130	$ 2,853,190

Liabilities

	1981	1980
Note payable	$ 60,000	$ —
Long-term debt, curr.	153,776	310,705
Accts. payable	202,673	187,632
Accruals	110,380	105,559
Curr. Liabilities	$ 526,829	$ 603,896
Long-term debt	811,404	931,790
+ Common stock	72,054	59,554
Add. paid-in capital	1,816,115	1,580,390
Retained earnings (deficit)	(123,272)	(322,440)
Total Liabilities & Shareholders' Equity	$ 3,103,130	$ 2,853,190

* At lower of average costs (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.70	10.26
%Net Income to Sales	3.52	7.06
%Net Income to Equity	6.98	19.22
Sales to Inventories	2.42	3.91
Working Capital	$1,648,345	$1,321,062
Current Ratio	4.13	3.19
Shareholders' Equity	$1,764,897	$1,317,504

Servo Corporation of America

111 New South Road
Hicksville, New York 11802
(516) 938-9700

Officers: Henry Blackstone, chairman of the board & president; Walter O. Stanton, general v.p.; William L. Maher, secretary; Mildred H. Drasser, asst. secretary; Walter W. Weeden, Jr., v.p.-transportation products; Joseph E. Bambara, v.p.-transportation engineering; John Tschinkel, v.p.-electronic systems equipment; Joel C. Tate, v.p.-infrared and electro-optics products; Edward V. Mollichelli, v.p.-government relations; Kenneth R. Brower, director-management information systems; Gary L. Richard, director-finance & administration; Edgar W. Tappen, Jr., treasurer; Louis A. Gallina, director-manufacturing operations; Walter E. Zwingers, director-international marketing.

Directors: Henry Blackstone, Henry W. (Pete) Blackstone, Sigurd Hoyer-Ellefsen, George S. Lufkin, Floyd A. Lyon, Walter O. Stanton.

Areas of Work: Engaged in the design and manufacture of infrared/electro-optics components such as infrared detectors; lens assemblies for spacecraft; direction finder systems used in aviation air traffic control operations; meterological systems; microwave amplifiers, signal generators, devices employed to monitor and locate dangerous axle conditions on moving rail cars; automatic railroad car identification systems.

Subsidiaries:

Servo International Sales Corporation (DISC)
Hicksville, New York

Transfer Agent(s):

Registrar and Transfer Company
55 Water Street
New York, New York 10041

Stock Exchange(s): American

Ticker Symbol: SCA

Sales and Earnings

	Net Sales	Net Income †
1981	$ 14,007,118	$ 372,838
1980	10,257,219	371,820
1979	9,299,012	377,680
1978	6,930,814	(752,299)
1977	6,454,284	87,480

	No. of Com. Shares	Earn. per Share ‡†
1981	636,121	$ 0.57
1980	626,938	0.58
1979	606,862	0.62
1978	606,562	—
1977	610,512	0.14

(Loss)
† Including extraordinary gain of $86,000 ($0.14 per share) in 1979.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,493,633	$ 7.06
1980	4,090,757	6.52
1979	3,657,953	6.03
1978	3,279,373	5.41
1977	4,048,674	6.63

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 14,007,118	$ 10,257,219
Cost of sales	9,112,908	6,367,666
Expenses	4,133,069	3,169,547
Oper. profit	$ 761,141	$ 720,006
Other income	17,058	10,490
Total	$ 778,199	$ 730,496
Interest expense	267,026	222,676
Income before taxes	$ 511,173	$ 507,820
Income taxes	138,335	136,000
Net Income	$ 372,838	$ 371,820

* Included in Costs and Expenses, Depreciation and Amortization: $221,400 in 1981 and $182,760 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 309,063	$ 405,732
Short-term invest.	4,547	203,593
Accts. receiv., net	3,295,779	2,328,676
*Inventories	3,319,627	2,609,548
Prepaid expenses	110,407	141,693
Current Assets	$ 7,039,423	$ 5,689,242
#Fixed assets	1,307,789	1,417,556
Other assets	77,838	43,552
Deferred tax benefits	157,750	106,000
Long-term investment	70,453	71,407
Total Assets	$ 8,653,253	$ 7,327,757
Liabilities		
Notes payable	$ 500,000	$ —
Long-term debt, curr.	202,710	243,176
Accts. payable	1,437,332	1,114,379
Accruals	678,108	535,024
Income taxes	210,354	57,319
Curr. Liabilities	$ 3,028,504	$ 1,949,898
Long-term debt	844,186	1,045,621
Deferred comp.	286,930	241,481
+Common stock	636,121	626,938
Add. paid-in capital	857,755	836,900
Retained earnings	2,999,757	2,626,919
Total Liabilities & Shareholders' Equity	$ 8,653,253	$ 7,327,757

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.65	4.95
%Net Income to Sales	2.66	3.62
%Net Income to Equity	8.30	9.09
Sales to Inventories	4.22	3.93
Working Capital	$4,010,919	$3,739,344
Current Ratio	2.32	2.92
Shareholders' Equity	$4,493,633	$4,090,757

SFE Technologies

(formerly San Fernando Electric Manufacturing Company)

1501 First Street
P.O. Box 351
San Fernando, California 91341
(213) 361-1176

Officers: Donald E. Rubendall, chairman of the board & chief exec. officer; Alan D. Rubendall, president & chief oper. officer; Jerome J. Jahn, v.p.-administration & finance, secretary; Robert O. Roberg, Robert Rubendall, v.p.'s; Michael A. Rosenberg, v.p.-technology; Joseph L. Lucia, v.p.-marketing; Robert W. Bronson, v.p.-manufacturing; Robert Kassel, H. Kermit Hawkins, Harvey Humann, division presidents.

Directors: Donald E. Rubendall, Robert O. Roberg, Alan D. Rubendall, Jerome J. Jahn, Michael A. Rosenberg, Oren Lane.

Areas of Work: Designs, manufactures and markets passive electronic components, including multi-layer ceramic capacitors and wound capacitors, quartz crystal frequency control devices, magnetic components and frequency interference filters. The products are used in telecommunications, consumer electronics, data processing, automotive and aero-space applications.

Divisions:

Electro Dynamics
5625 Foxridge Drive
Shawnee Mission, Kansas 66201
(913) 262-2500
Quartz crystals.

San Fernando Electric Manufacturing Co.
1501 First Street
P.O. Box 351
San Fernando, California 91341
(213) 365-9411
Ceramic capacitors, EMI/RFI filters.

Subsidiaries:

West-Cap Arizona
2201 East Elvira Road
P.O. Box 11277
Tucson, Arizona 85706
(602) 294-2646
Paper, film, metalized film capacitors.

West-Cap Sales Internatinal
1501 First Street
P.O. Box 351
San Fernando, California 91341
(213) 365-9411

SFE Technologies Europe B.V.
Wiltonstraat 11-13
2722 NG Zoetermeer
The Netherlands

West-Cap Arizona de Mexico S.A. de C.V.
P.O. Box 426
Nogales, Arizona 85621
(706) 312-7511

Transfer Agent(s):

The Bank of California, N.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SFEM (NASDAQ)

Number of Employees:

1981 1,950

Plant Footage:

1981	310,000 sq. ft.	1978	245,000
1980	245,000	1977	245,000
1979	245,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 45,676,000	$ 3,118,000
1980*	43,927,000	3,363,000
1979	31,565,000	944,000
1978	26,770,000	436,000
1977	18,312,000	(848,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,512,000	$ 0.89
1980	3,034,000	1.11
1979	2,643,000	0.36
1978	2,640,000	0.17
1977	2,639,000	—

(Loss)
* 53 weeks.
‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$ —	10%	—
1980	—	—	3-for-2
1979	—	5%	—
1978	—	5%	—
1977	0.16	5%	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 21,417,000	$ 6.10
1980	17,579,000	5.79
1979	7,192,000	2.72
1978	6,251,501	2.37
1977	5,815,037	2.20

+ Based on weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 45,676,000	$ 43,927,000
Cost of sales	32,998,000	32,017,000
Expenses	6,698,000	5,850,000
Other income	(278,000)	(107,000)
Interest expense	801,000	1,057,000
Income before taxes	$ 5,457,000	$ 6,110,000
Income taxes	2,339,000	2,747,000
Net Income	$ 3,118,000	$ 3,363,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,648,000 in 1981 and $1,326,000 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 694,000	$ 970,000
Money mkt. invest.	—	3,594,000
Accts. receiv., net	6,438,000	6,726,000
*Inventories	14,785,000	11,843,000
Prepaid expenses	193,000	122,000
Current Assets	$ 22,110,000	$ 23,255,000
#Fixed assets	10,863,000	8,857,000
Other assets	1,605,000	1,950,000
Total assets	$ 34,578,000	$ 34,062,000

Liabilities

	1981	1980
Notes payable	$ 1,900,000	$ —
Long-term debt, curr.	1,326,000	1,911,000
Accts. payable	1,650,000	1,207,000
Accruals	643,000	1,028,000
Accrued payroll	1,125,000	734,000
Accrued int. pay.	62,000	247,000
Income taxes	750,000	2,792,000
Curr. Liabilities	$ 7,456,000	$ 7,919,000
Long-term debt	2,128,000	5,157,000
Cust. advance	1,784,000	1,908,000
Deferred inc. taxes	1,635,000	1,352,000
Deferred retirement	158,000	147,000
+Common Stock	3,460,000	2,979,000
Add. paid-in capital	16,357,000	9,253,000
Retained earnings	1,600,000	5,347,000
Total Liabilities & Shareholders' Equity	$ 34,578,000	$ 34,062,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	11.95	13.91
%Net Income to Sales	6.83	7.66
%Net Income to Equity	14.56	19.13
Sales to Inventories	3.09	3.71
Working Capital	$14,654,000	$15,336,000
Current Ratio	2.97	2.94
Shareholders' Equity	$21,417,000	$17,579,000

SGL Industries, Inc.

76 Euclid Avenue
Haddonfield, New Jersey 08033
(609) 429-7400

Officers: John C. Instone, president & chief exec. officer; John R. Gregor, Jonathan R. Lax, Newell E. Whitcomb, Ronald J. Baran, group v.p.'s; John A. Ralston, III, v.p.-marketing; James E. Morris, treasurer; Robert T. Cross, v.p.-finance & secretary; William J. Blewis, asst. secretary; Stephen P. Englesbe, asst. treasurer.

Directors: Byrne Litschgi, chairman; William M. Hess, Grant Heilman, Frances R. Lax, Donald Lloyd-Jones, John C. Instone, Marlin Miller, Jr.

Areas of Work: Electrical and electronic products include magnetic components for the electronic and telephone industries; printed circuit components and other metal-etched components for the electronic, telephone and business machine industries; and electric power outlet boxes, lead-acid batteries and related accessories, spark plugs, industrial igniters, electric feed-throughs, and observation ports.

Metal products include grinding wheels and abrasives, screw machined parts for the plastic, computer, television and other industries; and specialty pipe flanges, pipe bends, tank nozzles, and the piping systems of chemical and food procesing plants.

Plastic products include a variety of high tolerance parts produced by many processes including injection molding; profile and sheet extrusion; and casting of crystal clear sheet, tube and rod.

Industrial services include industrial chrome plating; industrial electroless nickel plating; and the coating and printing of plastic and glass containers for quality cosmetic and pharmaceutical products.

Divisions:

Electrical Products Group
  SGL Auburn Spark Plug Co.
  89 York Street
  Auburn, New York 13021
  (315) 252-9501

  SGL Waber Electric
  300 Harvard Avenue
  Westville, New Jersey 08093
  (609) 456-5400

  SGL Electronics
  300 Harvard Avenue
  Westville, New Jersey
  (609) 456-7300

  SGL Printed Circuits
  827 Black Oak Ridge Road
  Wayne, New Jersey 07470
  (201) 835-2765

Metalworking Group
  SGL Abrasives
  Cave Hill Drive
  Carlisle, Pennsylvania 17013
  (717) 234-3471

  SGL Piping Systems
  Wilmington, Delaware &
  Stafford, Texas
  (302) 995-6136
  (713) 499-2575

  B & S Screw Machine Products
  205 North Chester Pike
  Glenolden, Pennsylvania 19036
  (215) 724-4366

  SGL LUBE/systems
  Elmwood Park, New Jersey
  (201) 791-6200

Plastics Group
  SGL Plastics
  P.O. Box 211
  Nazareth, Pennsylvania 18064
  (215) 759-0280

  SGL Homalite
  11 Brookside Drive
  Wilmington, Delaware 19804
  (302) 652-3686

Services Group
  SGL Modern Creative
  Elmwood Park, New Jersey

  SGL Modern Hard Chrome Service
  Pennsauken & Camden, New Jersey
  (609) 665-8600

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania 19101

Stock Exchange(s): American, Philadelphia

Ticker Symbol: SL

Plant Footage:

1981	591,000 sq. ft.	1978	559,000
1980	591,000	1977	606,000
1979	559,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 45,942,000	$ 2,686,000
1980	46,083,000	2,509,000
1979	41,482,000	2,248,000
1978	39,410,000	1,975,233
1977	30,304,000	1,641,749

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,415,000	$ 1.90
1980	1,405,000	1.79
1979	1,393,000	1.61
1978	1,384,000	1.42
1977	1,384,000	1.19

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1981	1980
Electrical Energy conversion	$ 19,053	$ 18,711
Metalworking tech.	15,857	16,027
Specialty plastics	4,990	5,346
Manufacturing services	6,042	5,999
Total	$ 45,942	$ 46,083

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.33	6%	—
1980	0.30	6%	—
1979	0.25	6%	—
1978	0.235	6%	—
1977	0.20	6%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 20,917,000	$ 14.78
1980	18,556,000	13.21
1979	16,416,000	11.78
1978	14,452,319	10.44
1977	12,727,412	9.20

‡ Based on average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 45,942,000	$ 46,083,000
Cost of sales	32,024,000	32,010,000
Expenses	8,215,000	7,835,000
Depreciation	947,000	822,000
Oper. profit	$ 4,756,000	$ 5,416,000
Interest income	(474,000)	(109,000)
Interest expense	164,000	250,000
Gain on dispos. of real estate	(626,000)	—
Income before taxes	$ 5,692,000	$ 5,275,000
Income taxes	2,614,000	2,623,000
Inc.-cont. oper.	$ 3,078,000	$ 2,652,000
Loss-discont. oper.	(392,000)	(143,000)
Net Income	$ 2,686,000	$ 2,509,000

Assets

As of July 31	1981	1980
Cash	$ 2,622,000	$ 1,826,000
Trade receiv., net	6,475,000	5,521,000

*Inventories	6,813,000	7,453,000
Prepaid expenses	408,000	366,000
Current Assets	$ 16,318,000	$ 15,166,000
#Fixed assets	7,509,000	6,894,000
Defer. charges & other assets	241,000	299,000
Intangibles	2,678,000	2,757,000
Total Assets	$ 26,746,000	$ 25,116,000
Liabilities		
Long-term debt, curr.	$ 61,000	$ 1,665,000
Accts. payable	2,439,000	2,131,000
Accruals	1,752,000	1,805,000
Income taxes	699,000	652,000
Curr. Liabilities	$ 4,951,000	$ 6,253,000
Long-term debt	544,000	—
Deferred inc. taxes	334,000	307,000
+Common stock	285,000	266,000
Add. paid-in capital	10,118,000	9,078,000
Retained earnings	10,514,000	9,212,000
Total Liabilities & Shareholders' Equity	$ 26,746,000	$ 25,116,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Net Income to Equity	12.84	13.52
Sales to Inventories	6.74	6.18
Working Capital	$11,367,000	$ 8,913,000
Current Ratio	3.30	2.43
Shareholders' Equity	$20,917,000	$18,556,000

Sheldahl, Inc.

Northfield, Minnesota 55057
(507) 645-5633

Officers: James S. Womack, president & chief executive officer; William J. Hangen, exec. v.p.-manufacturing/operations; Lelan R. Jamison, Jr., sr. v.p.-sales & marketing; James H. Kessler, Jr., v.p.-finance, treasurer & asst. secretary; Gerald J. Brandt, v.p.-manufacturing/engineering; Richard J. Slater, sr. v.p.-business development; Stuart M. Hunter, v.p.-human resources; Edward L. Lundstrom, controller; Gerald E. Magnuson, secretary.

Directors: Robert W. Gibson, Richard G. Brierley, Gerald E. Magnuson, John P. Robinson, Richard S. Wilcox, James S. Womack.

Areas of Work: Provides technological services and manufacturing to customer specifications; manufactures packaging machinery, electrical materials, flexible circuitry, solar energy collectors, electronic connectors and terminals.

Divisions:

Advanced Products Division
Northfield, Minnesota

Provides technological contract operations and research for the government and industrial customers; products include aerostats for telecommunications, weather seals for oil and gas pipelines, helicopter blade liners, tape drive tambours, submarine launch-tube diaphragms, and spacecraft insulation blankets.

Electrical Products Division
Northfield, Minnesota

Flexible circuits; electrical laminates; adhesive-coated tapes; "Flexswitch" membrane switches.

Materials Division
Northfield, Minnesota

Electrical/electronics, insulation systems, abrasive belt splicing tapes and information systems; coating, lamination, vacuum deposition and plating.

Subsidiaries:

Sheldahl International, Inc.
Northfield, Minnesota

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHEL (NASDAQ)

Number of Employees:

1981	801	1978	1,077
1980	631	1977	1,089
1979	950		

Plant Footage:

1981 ...... 266,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 34,521,000	$ 2,075,638
1980	28,483,000	1,298,180
1979	30,665,000	1,727,508
1978	23,765,000	401,877
1977	24,262,000	(999,762)

	No. of Com. Shares	Earn. per Share #‡
1981	1,892,746	$ 1.10
1980	1,824,946	0.70
1979	1,804,946	0.94
1978	1,759,446	0.21
1977	1,759,446	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding, after deducting dividends on preferred stock.
‡ Including extraordinary credit of $160,000 ($0.09 per share) in 1978.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 12,756,058	$ 6.74
1980	10,382,620	5.69
1979	9,031,315	5.50
1978	7,138,845‡	4.06
1977	6,788,356‡	3.86

‡ After allowing for preferred stock at voluntary redemption value.

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 34,521,182	$ 28,483,303
Cost of sales	23,575,387	19,279,317
Expenses	6,881,271	4,988,186
Interest expense	390,886	539,861
Income before taxes	$ 2,075,638	$ 1,906,939
Income taxes	1,598,000	1,769,000
Income from cont. oper.	$ 2,075,638	$ 1,906,939
Loss from discont. oper.	—	(608,759)
Net Income	$ 2,075,638	$ 1,298,180

* Included in Costs and Expenses, Depreciation: $840,302 in 1981 and $832,579 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 295,763	$ 337,657
Accts. receiv., net	8,297,902	5,593,775
*Inventories	6,357,819	5,112,258
Prepaid exp. & deposits	144,047	57,850
Current Assets	$ 15,095,531	$ 11,101,540
#Fixed assets	9,601,169	5,893,690
Other assets	250,621	246,232
Cash & certificates of deposit	—	594,450
Notes receiv. from discont. oper.	1,139,561	1,986,522
Total Assets	$ 26,086,882	$ 19,822,434

Liabilities

Notes payable	$ 1,800,000	$ —
Long-term debt, curr.	525,574	509,343
Accts. payable	1,907,463	1,050,021
Accruals	1,263,118	1,114,776
Accrued payroll	1,248,048	927,135
Income taxes	330,958	642,909
Curr. Liabilities	$ 7,075,161	$ 4,244,184
Long-term debt	5,234,991	4,760,510
Deferred inc. taxes	1,020,672	435,120
+Common stock	474,867	457,917
Add. paid-in capital	1,963,319	1,682,469
Retained earnings	10,338,831	8,263,193
Treasury stock	(20,959)	(20,959)
Total Liabilities & Shareholders' Equity	$ 26,086,882	$ 19,822,434

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	16.27	12.50
Sales to Inventories	5.43	5.57
Working Capital	$ 8,020,370	$ 6,857,356
Current Ratio	2.13	2.62
Shareholders' Equity	$12,756,058	$10,382,620

Sheller-Globe Corporation

1505 Jefferson Avenue
P.O. Box 962
Toledo, Ohio, 43697
(419) 255-8840

Officers: Chester Devenow, chairman of the board & chief executive officer; David H. Cogan, vice chairman of the board; John R. Eastman, president; James A. Graham, exec. v.p.-operations; William H. Patterson, exec. v.p.-finance; Stanley Berlinghoff, v.p.-manufacturing services; Richard I. Bortfield, v.p. & president - OEM Group; John L. Bradley, v.p.-industrial relations & administrative services; Chester Gadzinski, v.p. & president - General Products Group; William P. Gobeille, v.p.-product engineering & development; John C. Griffin, v.p.-customer relations; Ralph J. Hill, v.p. & controller; Robert G. Hill, v.p. & president - Electrical Group; Thomas G. Kress, v.p. & treasurer; E. James Lane, Jr., v.p.-marketing & business development; John F. McCuen, v.p. & general counsel; Irvin M. Zimet, v.p. & president - Office Products & Instrument Group; James E. Kline, secretary; James F. Ferrella, asst. treasurer; Otto F. Bollenbacher, asst. secretary.

Directors: Lawrence E. Brinn, James A. Graham, David H. Cogan*, Chester Devenow*, John R. Eastman*, John C. Griffin*, Frank N. Ikard, H.J. McGara, Ellis B. Merry, William H. Patterson*, John D. Reindel, Howard M. Stein.

*Member of the Executive Committee.

Areas of Work: Engaged in the manufacture of products for the original equipment and automotive service markets; sheet metal stampings and assemblies; office supplies; fractional horsepower D.C. motors and other types of motors; rubber and plastic products and assemblies; cold forged parts; non-ferrous stampings; fabricated foam products; nuclear radiation measuring instruments and systems; special purpose electronic components.

Electronic and Electric

Accurate Parts
1313 South Jay Street
Kokomo, Indiana 46901

Starter drives, solenoids and starter motor components for the automotive aftermarket.

Leece-Neville Brownsville
904 Billy Mitchell Boulevard
Brownsville, Texas 78520

Fractional horsepower D.C. motors for aftermarket or OEM application in air conditioners, heaters, defoggers and similar auto and truck equipment.

Leece-Neville Cleveland
1374 East 51st Street
Cleveland, Ohio 44103

Original equipment and replacement heavy duty alternators for trucks, buses, emergency vehicles and off-highway equipment.

Leece-Neville Gainesville
989 Athens Street, S.E.
Gainesville, Georgia 30501

Heavy-duty cranking motors and voltage regulators, AC motors for home applicances.

Victoreen, Inc.
10101 Woodland Avenue
Cleveland, Ohio 44104

Nuclear radiation measuring instruments and monitoring systems, special purpose electronic components.

Nuclear Associates
100 Voice Road
Carle Place, New York 11514

Radiation medical instruments and supplies, including products for nuclear medicine, diagnostic x-ray, ultrasound and radiation therapy.

Transfer Agent(s):

The Ohio Citizens Trust Company
Stock Transfer Department
133 North St. Clair Street
Toledo, Ohio 43603

Chemical Bank
Stock Transfer Department
P.O. Box 1160
Church Street Station
New York, New York 10008

Stock Exchange(s): New York

Ticker Symbol: SHG

Number of Employees:

1981	9,000	1978	14,500
1980	10,000	1977	14,500
1979	13,200		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 512,091,000	$ 18,931,000
1980	450,524,000	(20,032,000)
1979	575,815,000	13,653,000
1978	521,776,000	16,453,000
1977	460,391,000	16,744,000

	No. of Com. Shares #	Earn. per Share #
1981	6,265,082	$ 2.67
1980	6,194,852	—
1979	6,220,388	1.84
1978	6,150,693	2.31
1977	6,097,908	2.37

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Automotive parts & assemblies	$ 417,602	$ 373,581
Office prods.	53,825	43,395
Other	40,664	33,548
Total	$ 512,091	$ 450,524

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.325	—	—
1980	0.40	—	—
1979	0.70	—	—
1978	0.70	—	—
1977	0.70	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1981	$ 102,917,000	$ 16.43
1980	87,719,000	14.16
1979	112,343,000	18.08
1978	104,712,000	17.02
1977	93,332,268	15.31

‡ After allowing for preferred stock at aggregate liquidating value.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 512,091	$ 450,524
Other income	11,147	5,288
Total income	$ 523,238	$ 455,812
Cost of sales	431,599	402,358
Expenses	50,204	42,456
Minority interest	115	157
Interest expense	10,430	9,190
Income before taxes	$ 30,890	$ 1,651
Income taxes	13,243	(400)
Income from cont. oper.	$ 17,647	$ 2,051
Income (loss) from discont. oper.	1,284	(22,083)
Net Income (Loss)	$ 18,931	$ (20,032)

* Included in Costs and Expenses, Depreciation and Amortization: $13,270,000 in 1981 and $10,667,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 1,230	$ 1,885
Short-term invest.	68,537	43,000
Accts. receiv.,net	76,254	61,834
Inc. taxes recov.	—	3,855
*Inventories	86,999	79,411
Prepaid expenses	7,100	4,813
Assets of discont. oper.	663	16,778
Current Assets	$ 240,783	$ 211,576
Investments & other assets	11,873	4,191
Assets of discont. oper.	2,144	3,156
#Fixed assets	92,146	89,592
Total Assets	$ 346,946	$ 308,515

Liabilities
(000's)

	1981	1980
Notes payable	$ 920	$ 1,412
Long-term debt, curr.	1,883	1,737
Accts. payable	32,888	29,879
Inc. taxes payable	6,761	—
Accruals	26,430	20,886
Accrued payroll	6,917	3,955
Curr. Liabilities	$ 75,799	$ 57,869
Long-term debt	118,945	113,615
Minority interest	496	400
Deferred inc. taxes	6,399	6,034
+ Preferred stock:		
$1.35 Series	913	930
$1.40 Series	358	358
$3.00 Series	1,520	1,526
+ Common stock	6,225	6,195
Add. paid-in capital	36,934	36,937
Retained earnings	99,357	84,651
Total Liabilities & Shareholders' Equity	$ 346,946	$ 308,515

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	3.45	—
Sales to inventories	5.89	5.67
Working Capital	$164,984,000	$153,707,000
Current Ratio	3.18	3.66
Shareholders' Equity	$145,307,000	$130,597,000

SI Handling Systems, Inc.

P.O. Box 70
Easton, Pennsylvania 18042
(215) 252-7321

Officers: L. Jack Bradt, chairman of the board & chief executive officer; John G. Dorrance, exec. v.p.; Robert J. Bergren, v.p.-administration; Leonard S. Yurkovic, v.p.-operations; E. Jerome Brose, secretary; William A. Schilling, v.p.-sales.

Directors: James K. Allred, John R. Boehringer, L. Jack Bradt, John G. Dorrance, Karl-Henry Bergkvist, James H. McDougall, Richard F. Schubert, Andrew S. Schultz, Jr.

Areas of Work: Designs, manufactures, sells and installs mechanized and automated materials handling systems under mechanical electronic and computer control in the United States, Canada and overseas.

Subsidiaries:

SI Handling Systems International Ltd.
Cayman Islands, B.W.I.

SI Handling Systems Europe N.V.
Brussels, Belgium

SI Handling Systems International Ltd. (U.K.)
Swindon, England

Ishikawajima SI Company Ltd. (50% owned)
Tokyo, Japan

SI Handling Systems GmbH
Bremen, Germany

Transfer Agent(s):

Industrial Valley Bank and Trust Company
Allentown, Pennsylvania 18101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SIHS (NASDAQ)

Number of Employees:

1982	301	1979	355
1981	302	1978	357
1980	257		

Plant Footage:

1982	172,000 sq. ft.	1979	142,000
1981	142,000	1978	142,000
1980	142,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 32,148,000	$ 1,146,000
1981	24,553,000	527,000
1980*	27,055,000	56,000
1979	20,839,000	294,000
1978	16,972,000	132,000

	No. of Com. Shares +	Earn. per Share ‡
1982	1,047,002	$ 0.85
1981	1,305,908	0.40
1980	1,317,270	0.04
1979	1,317,270	0.22
1978	1,315,441	0.10

* 53 weeks.
+ Adjusted to reflect stock splits.
‡ Based on weighted average number of common shares and common equivalent shares outstanding adjusted to reflect stock splits.

SI Handling Systems, Inc.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.10	—	5-for-4 & 5-for-4
1981	0.10	—	—
1980	0.10	—	—
1979	0.10	—	—
1978	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 6,454,000	$ 6.16
1981	5,395,024	4.13
1980	4,996,009	3.79
1979	5,024,748	3.81
1978	4,809,696	3.66

‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	2/28/82	3/1/81
Net sales	$ 32,148,000	$ 24,552,910
Cost of sales	21,565,000	17,573,568
Expenses	6,161,000	4,983,254
Research & develop.	935,000	431,516
Prov. for doubt. accts.	145,000	59,045
Other expenses (income)	118,000	(92,909)
Interest expense	101,000	548,418
Income before taxes	$ 3,123,000	$ 1,050,018
Income taxes	1,977,000	523,139
Net Income	$ 1,146,000	$ 526,879

* Included in Costs and Expenses, Depreciation and Amortization: $495,000 in 1982 and $375,135 in 1981.

Assets

As of	2/28/82	3/1/81
Cash	$ 4,465,000	$ 894,164
Receiv., net	6,628,000	6,378,039
Costs in exc. of billings	794,000	1,112,263
Deferred taxes	—	101,003
*Inventories	3,958,000	4,850,827
Prepaid expenses	179,000	141,932
Current Assets	$ 16,024,000	$ 13,478,228
#Fixed assets	2,367,000	2,011,318
Deferred inc. taxes	1,101,000	—
Intangibles & other assets	406,000	556,899
Total Assets	$ 19,898,000	$ 16,046,445

Liabilities

Loan payable	$ —	$ 600,000
Long-term debt, curr.	217,000	219,401
Accts payable	1,927,000	2,889,848
Cust. deposits	2,088,000	1,184,216
Accrued payroll	1,470,000	900,960
Income taxes payable	—	568,497
Deferred inc. taxes	3,615,000	—
Curr. Liabilities	$ 9,317,000	$ 6,362,922
Long-term debt	4,118,000	4,202,425
Deferred inc. taxes	—	85,374
Deferred compensation	9,000	700
+ Common stock	1,053,000	843,041
Add. paid-in capital	1,903,000	1,903,264
Retained earnings	3,530,000	2,692,279
Treasury stock	(32,000)	(43,560)
Total Liabilities & Shareholders' Equity	$ 19,898,000	$ 16,046,445

* At lower of cost (FIFO) or replacement market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.71	4.28
%Net Income to Sales	3.56	2.15
%Net Income to Equity	17.76	9.77
Sales to Inventories	8.12	5.06
Working Capital	$6,707,000	$7,115,306
Current Ratio	1.72	2.12
Shareholders' Equity	$6,454,000	$5,395,024

Sierra Research Corporation

247 Cayuga Road
P.O. Box 222
Buffalo, New York 14225
(716) 631-6200

Officers: Sherwood H. Calhoun, chairman of the board, president & chief executive officer; Sidney R. Ives, sr. vice president; Kurt E. Mayer, sr. vice president-finance & treasurer; Walter M. Lewicki, sr. vice president-engineering; William G. Tapply, sr. v.p.-marketing; Lawrence P. Mordaunt, sr. v.p.; Alvin G. Human, vice president-manufacturing; Donald D. Weisser, v.p.- controller; John G. Putnam, Jr., secretary; Robert F. Friedman, v.p.-telecommunications; Doreen M. Nolan, asst. secretary.

Directors: Sherwood H. Calhoun, Manly Fleischmann, Robert L. Ketter, C. Edgar Schabacker, Jr., G. Wayne Hawk, Herbert Mennen, Bruce K. Holloway.

Areas of Work: Designs, develops, and manufactures highly advanced computer-controlled electronic systems for a wide range of applications in both government and industry. These include radar, data transmission, aircraft navigation, factory data collection. The company also produces proprietary electronics products for the improved performance of radar installations.

Subsidiary:

Sierra Information Systems Corporation
Engaged in the design and manufacture of data collection systems for factory and revenue collection applications.

Acquisition(s):

National Telephone Systems, Inc.
Manufactures data communications systems and equipment.

Transfer Agent(s):

Bradford Trust Company
67 Broad Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SERE (NASDAQ)

Number of Employees:

1981	964	1978	636
1980	840	1977	515
1979	776		

Plant Footage:

1981	253,000 sq. ft.	1978	157,000
1980	203,000	1977	109,000
1979	162,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 55,855,000	$ 1,597,000
1980	47,849,000	2,012,000
1979	39,402,000	1,531,000
1978	28,950,000	990,000
1977	21,660,000	544,000

	No. of Com. Shares #	Earn. per Share #
1981	1,271,132	$ 1.26
1980	1,270,413	1.35
1979	1,252,568	1.22
1978	1,239,375	0.80
1977	1,223,799	0.45

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.12	—	—
1980	0.13⅓	—	3-for-2
1979	0.10	—	—
1978	0.03⅓	—	—

Common Stock Equity

	Total Equity	Equity Per Share#
1981	$ 10,439,131	$ 8.21
1980	8,996,184	7.08
1979	7,406,296	5.91
1978	5,934,423	4.79
1977	4,975,721	4.07

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 55,854,619	$ 47,848,965
Cost of sales	41,993,121	35,640,180
Expenses	9,202,765	8,201,846
Interest expense	1,910,608	590,554
Income before taxes and minority interest	$ 2,748,125	$ 3,416,385
Income taxes	1,147,073	1,399,515
Minority interest	4,398	4,561
Net Income	$ 1,596,654	$ 2,012,309

* Included in Costs and Expenses, Depreciation and Amortization: $1,167,712 in 1981 and $1,098,133 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 601,116	$ 511,038
Accts. receiv., net	6,979,999	3,702,812
Contracts in progress	18,545,591	11,837,202
*Inventories	1,176,254	2,130,905
Defer. income taxes	93,720	—
Prepaid expenses	117,482	129,069
Current Assets	$ 27,514,162	$ 18,311,026
Equip. leases receiv.	48,204	206,122
#Fixed assets	4,454,400	4,000,381
Equip. leased to others	84,085	214,924
Other assets	147,517	98,526
Total Assets	$ 32,248,368	$ 22,830,979

Liabilities

Accts. payable	$ 5,678,828	$ 4,400,421
Oblig. under cap. lease	2,051,155	239,752
Accruals	517,448	614,378
Accrued payroll	1,266,618	1,145,182
Income taxes	372,563	548,953
Curr. Liabilities	$ 9,886,612	$ 6,948,686
Long-term debt	11,639,558	6,483,478
Minority interest	—	26,043
Deferred inc. taxes	283,067	376,588
+ Common stock	88,946	88,946
Add. paid-in capital	2,150,268	2,151,442
Retained earnings	8,234,542	6,790,421
Treasury stock	(34,625)	(34,625)
Total Liabilities & Shareholders' Equity	$ 32,248,368	$ 22,830,979

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.92	7.14
%Net Income to Sales	2.86	4.21
%Net Income to Equity	15.29	22.37
Sales to Inventories	47.49	22.45
Working Capital	$17,627,550	$11,362,340
Current Ratio	2.78	2.64
Shareholders' Equity	$10,439,131	$ 8,996,184

Sierracin Corporation

12780 San Fernando Road
Sylmar, California 91342
(213) 362-6802

Officers: Christoph Tribull, chairman of the board & chief executive officer; Joseph Z. Rivlin, president & chief operating officer; Peter K. Maeussnest, exec. v.p. - aerospace; Arthur R. Kennedy, v.p. - finance & administration and secretary-treasurer; Derek A. Bertocci, controller; Patricia A. Sprouse, asst. secretary; John Fenn, president - Intrex Products Division; Terence Jacobsen, president - TransTech Division; William McLaughlin, president - Thermal Systems Division; Peter K. Maeussnest, president Sylmar Division; Martin Pilmanis, president - Harrison Division; Maurice Renard, president - Power Systems Division; James Romine, president - Magnedyne Division; John Traub, president - Electro-Optical-Imaging Division; Jean-Pierre Euvrard, v.p. - Paris, France; Franz Winklhofer, v.p. - Munich, West Germany.

Directors: David M. Diltz, Alan R. Stearns, William E. Zisch, Christoph Tribull, Walter E. Hinds, Peter K. Maeussnest, Joseph Z. Rivlin.

Areas of Work: Manufactures and markets high-technology transparentoy products for transportation equipment, architectural glass and heating devices, temperature sensors, precision servo motors, hydraulic components and linear and switcher power supplies for industrial and aerospace markets.

Divisions and Subsidiaries:

Thermal Systems Division
13920 South Broadway
Los Angeles, California 90061
(213) 321-4350

Designs and manufactures special purpose electrical heating components and systems as well as sensors and controllers for such diverse industries as communications and electronic equipment, business machines, aircraft, food handling and environmental control.

Harrison Division
3020 Empire Avenue
Burbank, California 91504
(213) 849-6581

Specializes in the design and manufacture of patented hydrualic components and seals for pneumatic fluid and nuclear power applications.

Magnedyne Division
5580 El Camino Real
Carlsbad, California 92008
(714) 729-7191

Manufactures precision servo motors and tachometers for aerospace and industrial applications.

Trans Tech Division
12780 San Fernando Road
Sylmar, California 91342
(213) 362-6802

Manufactures high-impact windshields for railroad locomotives, rapid transit vehicles, custom VIP vehicles and ships.

Sylmar Division
12780 San Fernando Road
Sylmar, California 91342
(213) 367-6184

Engaged in the production of transperencies for aircraft and railroad locomotives; security glazing for architectural applications.

Power Systems Division
20536 Plummer Street
Chatsworth, California 91311

Manufactures linear and switcher power supplies for computer peripheral and communications equipment, numerically controlled machine parts and other electronic equipment.

Intrex Products

Manufactures tranparent membrane switches and coated film products.

Western Thermistor Corporation
Oceanside, California

A manufacturer of temperature sensing devices.

EOI

Serves the semiconductor industry's demand for high precision, high quality photolithographic tooling and masks used in the process of fabricating solid state microelectronic devices.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: SER

Number of Employees:

1981 1,200

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 61,454,000	$ (1,124,000)
1980	61,044,000	3,370,000
1979	44,702,000	2,293,000
1978	26,687,000	1,536,000
1977	21,975,000	1,218,000

	No. of Com. Shares +	Earn. per Share +
1981	3,598,000	$ —
1980	3,552,000	0.95
1979	3,504,000	0.65
1978	3,516,000	0.44
1977	3,344,000	0.36

‡ Includes other income. Of continuing operations only.
+ Based on average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Aerospace prods.	$ 32,144,000	$ 34,265,000
Information processing products	16,732,000	12,998,000
Industrial/Commercial prods.	12,578,000	13,781,000
Total	$ 61,454,000	$ 61,044,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.45	—	—
1980	0.225	—	2-for-1†
1979	0.075	—	2-for-1†
1978	0.055	—	—
1977	0.05	—	—

+ Adjusted to reflect stock splits.
† In the form of a 100% stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 13,467,000	$ 3.73
1980	16,139,000	4.51
1979	13,505,000	3.82
1978	11,347,000	3.27
1977	9,771,000	2.92

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 61,122	$ 60,779
Other income	332	265
Total income	$ 61,454	$ 61,044
Cost of sales	49,123	44,271
Expenses	13,339	9,640
Interest expense	1,977	1,238
Interest income	(92)	(207)
Income (loss) before taxes	$ (2,893)	$ 6,102
Income taxes(credit)	(1,769)	2,732
Net Income (Loss)	$ (1,124)	$ 3,370

* Included in Costs and Expenses, Depreciation and Amortization: $3,242,000 in 1981 and $1,603,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & cert. of dep.	$ 560	$ 548
Marketable securities	—	3,000
Acct. receiv., net	9,565	9,123
* Inventories	9,423	10,089
Prepaid expenses	429	412
Defer. inc. tax benefits	1,588	—
Current Assets	$ 21,565	$ 23,172
# Fixed assets	17,544	14,811
Other assets	2,238	2,096
Total Assets	$ 41,347	$ 40,079

Liabilities
(000's)

Notes payable	$ 3,700	$ —
Long-term debt, curr.	937	846
Accts. payable	5,365	3,701
Accruals	1,211	1,047
Accrued payroll	2,379	2,110
Dividends payable	—	136
Income taxes	1,938	4,149
Curr. Liabilities	$ 15,530	$ 11,989
Long-term debt	11,004	11,249
Deferred inc. taxes	1,346	702
+ Common stock	3,617	3,578
Add. paid-in capital	234	202
Retained earnings	9,629	12,372
Treasury stock	(13)	(13)
Total Liabilities & Shareholders' Equity	$ 41,347	$ 40,079

* At lower of cost (primanry LIFO) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	10.04
%Net Income to Sales	—	5.54
%Net Income to Equity	—	20.88
Sales to Inventories	6.49	6.02
Working Capital	$ 6,035,000	$11,183,000
Current Ratio	1.39	1.93
Shareholders' Equity	$13,467,000	$16,139,000

The Signal Companies, Inc.

11255 North Torrey Pines Road
La Jolla, California 92037
(714) 457-3555

Officers: Forrest N. Shumway, chairman of the board & chief executive officer; Daniel W. Derbes, president; William E. Walkup, chairman of the executive committee; Andrew J. Chitiea, sr. vice president; Brewster L. Arms, sr. vice president & general counsel; Charles S. Arledge, group v.p.; John R. Spencer, Frank P. Sanders, John W. Bold, Walter D. Sanborn, III, B. David Freundlich, vice presidents; Richard W. Rauch, v.p.-employee relations; Robert J. Runser, v.p. & controller & asst. secretary; Evelyn M. Truitt, v.p. & asst. secretary; C. Neil Ash, vice president, secretary & asst. general counsel; David H. Skinner, v.p. & treasurer & asst. secretary; Jo Ann Hankin, asst. treasurer; Kenneth P. King, asst. controllers; Michael P. Kelly, L. Earl Logue, asst. secretaries.

The Signal Companies, Inc.

Directors: William E. Walkup*, chairman; Richard A. Lenon, F.N. Shumway*, H.H. Wetzel*, Clinton R. Stevenson*, Brewster L. Arms, Andrew J. Chitiea*, Robert O. Reynolds, Arch Monson, Jr., Charles S. Arledge, James V. Crawford*, Alfred W. Pelletier*, Edward J. Boling, Carla Anderson Hills, Henry G. Parks, Jr., Daniel W. Derbes, Ralph P. Davidson, Arthur H. Hausman*.

* Member of Executive Committee.

Areas of Work: Engaged in the design, engineering, manufacture and sale of heavy duty motor trucks and truck tractors, and of aerospace and industrial products. Other principal activities of the Company include real estate and land development, radio and television broadcasting, and shipping.

Divisions and Subsidiaries:

Ampex Corporation
401 Broadway
Redwood City, California 94063
(415) 367-2501

Manufactures audio-video recording equipment, data memory equipment; manufactures blank audio-video tapes for professional and consumer applications.

The Garrett Corporation
9851 Sepulveda Boulevard
Los Angeles, California 90009
(213) 776-1010

Mack Trucks, Inc.
2100 Mack Boulevard
Allentown, Pennsylvania 18105
(215) 439-3011

Manufactures heavy duty trucks, engines and parts.

Dunham-Bush, Inc.
175 South Street
West Hartford, Connecticut 06110
(203) 249-8671

Designs, manufactures and distributes air conditioning, heating and refrigeration equipment for commercial, industrial and residential applications.

Signal Landmark Properties, Inc.
17890 Skypark Circle
Irvine, California 92714
(714) 979-6900

Real estate development firm.

UOP Inc.
Ten UOP Plaza
Algonquin & Mt. Prospect Roads
Des Plaines, Illinois 60016
(312) 391-2000

Involved in petroleum and petrochemical services and related products, construction and fabricated metal products; designs and manufactures seats and accessory equipment for aircraft and instrumentation for nuclear power plants, equipment for air pollution control systems; produces separation systems for water purification, water conservation, water reclamation and chemical processes.

Golden West Broadcasters (49.9% owned)
5858 Sunset Boulevard
Los Angeles, California 90028
(213) 469-5341

Acquisition(s):

Ampex Corporation
401 Broadway
Redwood City, California 94063
(415) 367-2501

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): New York, Pacific, Philadelphia

Ticker Symbol: SGN

Number of Employees:

1981	60,000	1978	49,500
1980	N/A*	1977	46,100
1979	53,000		

* Not Available.

Plant Footage:*

1981 . . . . . . 12,905,142 sq.ft.

* Includes only Ampex, Garrett and VOP.

Sales and Earnings #

	Revenues † (000's)	Net Income † (000's)
1981	$ 5,342,600	$ 214,000
1980	4,782,100	175,900
1979	4,701,300	218,400
1978	3,944,200	163,400
1977	3,280,100	108,300

	No. of Com. Shares *	Earn. per Share + †
1981	72,240,473	$ 2.95
1980	71,695,718	2.42
1979	47,703,782	3.01
1978	47,587,041	2.26

# Restated to include operations of companies acquired on a pooling of interests basis.
* Adjusted to reflect stock splits.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.
† Of continuing operations only.

Revenues By Line of Business
(000's)

	1981	1980
Mack Trucks, Inc.	$ 1,526,100	$ 1,536,700
The Garrett Corporation	1,972,000	1,708,000
UOP Inc.	1,244,100	957,000
Ampex Corp.	518,200	496,800
Other Signal cos.	107,800	106,000
Eliminations	(25,600)	(22,400)
Total	$ 5,342,600	$ 4,782,100

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.78	—	—
1980	0.59	—	3-for-2
1979	0.51	—	—
1978	0.38	—	2-for-1
1977	0.31	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share +
1981	$1,658,200,000	$ 22.95
1980	1,492,900,000	20.82
1979	1,348,300,000	28.26
1978	1,132,200,000	23.79

† Restated.
+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 5,342,600	$ 4,782,100
Other income	145,000	107,600
Total Income	$ 4,101,000	$ 3,665,300
Expenses	675,700	627,000
Research & development	205,100	167,800
Depreciation	77,500	70,800
Interest expense	121,300	114,100
Income before taxes	$ 307,000	$ 244,700
Income taxes	122,700	105,500
Minority interest	(29,700)	(36,700)
Inc. from cont. oper.	$ 214,000	$ 175,900
Inc. from discont. oper.	—	15,300
Net Income	$ 214,000	$ 191,200

‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 74,500	$ 97,500
Short-term invest.	77,800	34,400
Accts. & notes receiv., net	726,600	718,400
*Inventories	1,429,300	1,304,500
Prepaid income taxes & expenses	55,900	139,600
Current Assets	$ 2,364,100	$ 2,294,400
Investments & receiv.	489,900	456,000
#Fixed assets	770,400	684,300
Defer. charges & intangibles	54,200	47,400
Total Assets	$ 3,678,600	$ 3,482,100

Liabilities
(000's)

Notes payable	$ 111,400	$ 106,100
Long-term debt, curr.	31,300	36,800
Accts. payable & accruals	753,000	755,800
Income taxes	52,800	35,700
Curr. Liabilities	$ 936,900	$ 946,000
Long-term debt	652,900	682,800
Deferred inc. taxes	260,700	176,400
Other liabilities	133,000	147,900
Minority interest	36,900	36,100
+Common stock	144,500	143,400
Add. paid-in capital	278,200	271,700
Retained earnings	1,235,500	1,077,800
Total Liabilities & Shareholders' Equity	$ 3,678,600	$ 3,482,100

‡ Restated.
* At lower of cost (LIFO and average) or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.75	—
%Net Income to Sales	4.01	—
%Net Income to Equity	12.91	12.81
Sales to Inventories	3.74	3.67
Working Capital	$1,427,200,000	$1,348,400,000
Current Ratio	2.52	2.43
Shareholders' Equity	$1,658,200,000	$1,492,900,000

Siliconix Incorporated

2201 Laurelwood Road
Santa Clara, California 95054
(408) 988-8000

Officers: Richard E. Lee, president; Harold G. Molyneux, sr. v.p.-U.S. operations; Arthur E. Fury, v.p.-marketing; Donald G. Keefe, v.p.-European operations; John W.F. Niem, v.p.-Far East operations.

Directors: Richard E. Lee, chairman; Steven C. Brandt, Clifford A. Morton, Francis T. Thompson, Robert P. Rhen, Robert L. Wehrli.

Areas of Work: Designs, develops, manufactures and sells discrete devices and integrated circuits which include junction and MOS field-effect transistors (FETs) and digital linear, and large-scale integrated circuits. Product application innovations in the areas of switching, multiplexing, interface circuitry, operational and sense amplifiers, phased arrays, signal processing and LSI circuits for the data conversion, and telecommunications markets are derivations of advanced components technologies.

Subsidiaries:

Siliconix, (Hong Kong) Limited
131-133 Wai Yip Street
Fourth Floor, Kwun Tong
Kowloon, Hong Kong

Siliconix (Taiwan) Limited
Nantze Export Processing Zone
Kaohsiung, Taiwan
Republic of China

Siliconix Limited
Morriston
Swansea, Wales
United Kingdom SA6 6NE

Siliconix S.A.R.L.
70-72 Avenue du General de Gaulle
Echat 559
94020 Creteil Cedex
Creteil, France

Siliconix Japan
101 Daigo Tanaka Building
4-4 Iidabashi, 3-Chome
Chiyoda-ku Tokyo, Japan 102

Siliconix GmbH
7024 Bernhausen
Postfach 1340
Johannestrasse 27
Filderstadt, West Germany

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILI (NASDAQ)

Number of Employees:

1981	2,013	1978	1,994
1980	2,159	1977	1,634
1979	2,190		

Plant Footage:

1981	284,000 sq. ft.	1978	252,000
1980	284,000	1977	216,000
1979	274,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 60,103,367	$ 126,803
1980	66,111,252	2,715,915
1979	54,342,062	4,100,885
1978	43,199,272	3,307,359
1977	31,559,149	1,911,403

	No. of Com. Shares #	Earn. per Share #
1981	2,596,411	$ 0.05
1980	2,464,191	1.10
1979	2,279,418	1.80
1978	2,062,718	1.60
1977	1,965,052	0.97

#Based on weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 32,094,041	$ 12.36
1980	31,185,106	12.66
1979	28,256,897	11.77*
1978	18,523,056	9.98
1977	14,943,460	7.60

*Includes the effect of 330,000 shares issued in an underwritten public offering in June 1979.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 60,103,367	$ 66,111,252
Cost of sales	34,954,014	36,908,505
Expenses	23,180,080	23,211,050
Interest expense	1,739,470	1,075,782
Income before taxes	$ 229,803	$ 4,915,915
Income taxes	103,000	2,200,000
Net Income	$ 126,803	$ 2,715,915

* Included in Costs and Expenses, Depreciation and Amortization: $3,744,322 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 588,497	$ 1,076,523
Accts. receiv., net	14,462,235	14,593,792
*Inventories	13,405,490	14,582,127
Prepaid expenses	3,630,252	2,306,739
Current Assets	$ 32,086,474	$ 32,559,181
#Fixed assets	24,089,147	23,582,147
Other assets	604,000	154,157
Total Assets	$ 56,779,621	$ 56,295,485

Liabilities

	1981	1980
Notes payable	$ 5,988,424	$ 7,128,331
Long-term debt, curr.	133,804	120,906
Accts. payable	5,265,110	3,705,665
Accruals	3,209,750	2,731,829
Income taxes	450,369	1,967,692
Curr. Liabilities	$ 15,047,457	$ 15,654,423
Long-term debt	5,748,123	6,015,956
Deferred inc. taxes	3,890,000	3,440,000
+Common stock	14,050,187	13,199,408
Retained earnings	18,043,854	17,985,698
Total Liabilities & Shareholders' Equity	$ 56,779,621	$ 56,295,485

*At lower of cost (FIFO) or market.
#Less accumulated depreciation.
+No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	0.38	7.44
%Net Income to Sales	0.21	4.11
%Net Income to Equity	0.40	8.71
Sales to Inventories	4.48	4.53
Working Capital	$17,039,017	$16,904,758
Current Ratio	2.13	2.08
Shareholders' Equity	$32,094,041	$31,185,106

Siltec Corporation

3717 Haven Avenue
Menlo Park, California 94025
(415) 365-8600

Officers: Robert E. Lorenzini, chairman of the board & president; Larry S. Jo, v.p. & gen. mgr.-Silicon Division; Anthony C. Bonora, v.p. & gen. mgr.-Instrument Division; Stanley T. Myers, v.p.-international operations; James M. Hansell, v.p.-finance, treasurer & secretary; William D. Jordan, v.p.-corporate communications; Stuart C. Slade, v.p.-marketing, Instrument Division; Elizabeth A. DePaola, asst. secretary.

Directors: Robert E. Lorenzini, chairman; William D. Jordan, Thaddeus N. Taube, Paul A. Araquistain, George H. Burns.

Divisions:

Silicon Division
423 National Avenue
Mountain View, California 94043
(415) 968-9359

Manufactures and markets silicon products including polished silicon wafers, sigle crystal ingots and related products.

Instrument Division
190 Independence Drive
Menlo Park, California 94025
(415) 328-7600

Manufactures instruments and equipment for the semiconductor industry including equipment for the production of silicon materials and instrumentation for the handling, testing and sorting of silicon wafers.

Transfer Agent(s):

Bank of America, NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLTC

Sales and Earnings

	Net Sales †	Net Income
1981	$ 39,563,000	$ (1,495,000)
1980	50,611,000	3,420,000
1979	37,178,000	2,567,000
1978	23,545,000	724,000
1977	16,134,000	1,182,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,817,000	$ —
1980	2,725,000	1.26
1979	2,272,000	1.13
1978	2,240,000	0.32
1977	2,232,000	0.53

(Loss)
† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	$0.05	—	—

Common Stock Equity

	Total Equity	Equity per Share
1981	$ 17,868,000	$ 6.34
1980	19,013,000	6.98
1979	7,373,000	3.25
1978	4,949,000	2.21

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 39,563	$ 50,611
Cost of sales	30,018	35,540
Expenses	8,709	7,744
Interest expense	1,263	749
Income (loss) before taxes	$ (427)	$ 6,578
Income taxes (credit)	(562)	2,733
Income from cont. oper.	$ 135	$ 3,845
Loss from discont. oper.	(1,630)	(425)
Net Income (Loss)	$ (1,495)	$ 3,420

* Included i[illegible]ats and Expenses, Depreciation and Amortization: $2,687,000 in 1981 and $2,193,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 408	$ 707
Accts. receiv., net	6,849	9,155
Refundable taxes	2,113	—
*Inventories	12,028	11,895
Prepaid expenses	314	338
Current Assets	$ 21,712	$ 22,095
Notes receivable	215	—
#Fixed assets	19,912	17,568

Capital Funds held by trustee	1,896	4,277
Total Assets	$ 43,735	$ 43,940

Liabilities
(000's)

Notes payable	$ 704	$ 637
Cap. lease oblig., curr.	525	74
Accts. payable	2,434	3,231
Accrued payroll	902	1,544
Accrued interest	86	422
Other accruals	768	510
Income taxes	964	1,071
Curr. Liabilities	$ 6,383	$ 7,489
Long-term debt	17,934	16,077
Deferred inc. taxes	1,550	1,361
+Common stock	150	147
Add. paid-in capital	9,627	9,280
Retained earnings	8,091	9,586
Total Liabilities & Shareholders' Equity	$ 43,735	$ 43,940

* At lower of cost (FIFO) of market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	—	17.99
Sales to Inventories	3.29	4.25
Working Capital	$15,329,000	$14,606,000
Current Ratio	3.40	2.95
Shareholders' Equity	$17,868,000	$19,013,000

Simmonds Precision Products Inc.

150 White Plains Road
Tarrytown, New York 10591
(914) 631-7500

Officers: Geoffrey R. Simmonds, chairman of the board & chief executive officer; Roy A. Higgins, exec. v.p. & financial officer; Robert I. August, group v.p.-aerospace, Robert A. Carlson, v.p.-corporate development; Douglas M. Coombs, v.p.-legal; Charles R. Dyon, Jr., v.p.-human resources; Kevin P. Gallen, v.p. general counsel and secretary; Jonathan C. Kerner, treasurer & asst. secretary; Howard F. Matus, v.p.-corporate relations; Howard P. Rowell, v.p.; Nicholas R. Vertucci, corporate controller.

Directors: Geoffrey R. Simmonds, chairman; J. Ross Macdonald, Fredeick J. Mancheski, Neil D. Naiden, F. Robert Naka, Theodore D. Nierenberg, Lionel N. Sterling, Brian G. Wolfson.

Areas of Work: Manufactures electronic components and computer-based systems for aerospace and industrial applications, including fuel management systems and cockpit instrumentation for commercial and military aircraft; ignition systems, power conditioning equipment and accessories for aerospace and marine turbine engines; flight control and accessory actuators for missiles, drones and aircraft; and industrial ignition systems, LNG measurement systems and monitoring and control systems for electrical generating plants.

Divisions and Subsidiaries:

Instrument Systems Division
Panton Road
Vergennes, Vermont 05491
(802) 877-2911

Engine Systems Division
Norwich-Oxford Road
Norwich, New York 13815
(607) 334-3264

Industrial Controls Division
3100 Highwood Boulevard
Raleigh, North Carolina 27625

Product Support Division
1525 N.W. 167th St.
Miami, Florida 33169

Simmonds Precision Canada, Ltd.
2756 Slough Street
Mississauga, Ontario, Canada L4T 1G3

Motion Controls Division
197 Ridgedale Avenue
Cedar Knolls, New Jersey 07927

Simmonds Precision N.V.
P.O. Box 2194
6802 CD Arnhem, The Netherlands

Simmonds Precision GmbH
Lippeplatz 9, Postfach 470
Wesel/Ndrh. 4230, West Germany

Co-Operative Industries Division
100 Oakdale Road
Chester, New Jersey 07930

Bel Aire Instruments
6730 West Kellogg
Wichita, Kansas 67209

NASCO International, Inc.
8075 N.W. 53rd St.
Miami, Florida 33166

Glendale/Inter-Avia Instruments
5930 San Fernando Road
Glendale, California 91202

Simmonds Precision
3 New Industrial Road
Singapore 1953

Simmonds Precision AG
Hargartenweg 268
8185 Rueti bei Buelach
Zurich, Switzerland

Transfer Agent(s):
Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: SP

Sales and Earnings

	Net Sales †	Net Income #
1981	$ 138,572,000	$ 9,724,000
1980	131,979,000	479,000
1979	107,632,000	6,254,000
1978	82,257,000	5,129,000
1977	65,965,000	4,243,000

	No. of Com. Shares +	Earn. per Share + #
1981	4,931,000	$ 1.97
1980	4,865,000	0.10
1979	4,643,000	1.35
1978	4,214,000	1.22
1977	4,120,000	1.03

† Of continuing operations only.
+ Based on the average number of common shares and common share equivalents outstanding.
# Including extraordinary gain of $470,000 ($0.11 per share) in 1977.

Revenues By Line of Business
(000's)

	1981	1980
Instrument systems	$ 68,247	$ 65,850
Engine control systems	47,678	41,421
Motion control systems	15,553	14,832
Other	7,094	9,876
Total	$ 138,572	$ 131,979

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.34	—	—
1980	0.30	—	—
1979	0.26	—	—
1978	0.22	—	—
1977	0.19	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 52,370,000	$ 10.62
1980	43,758,000	8.99
1979	44,124,000	9.50
1978	29,567,000	7.02
1977	24,913,000	6.05

# Based on average number of commmon shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 138,572	$ 131,979
Cost of sales	89,255	86,849
Expenses	28,433	26,377
Dispos. of prod line	—	4,600
Interest expense	3,427	2,549
Other income	370	(296)
Income before taxes	$ 17,087	$ 11,900
Income taxes	7,363	3,435
Income from cont. oper.	$ 9,724	$ 8,465
Loss from discont. oper.	—	(7,986)
Net Income	$ 9,724	$ 479

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 3,515	$ 1,365
Receiv., net	18,831	23,377
*Inventories	36,149	32,224
Def. tax benefits	1,797	5,851
Other assets	2,924	2,982
Current Assets	$ 63,216	$ 65,799
#Fixed assets	19,094	17,179
Goodwill	6,801	6,762
Other assets	1,692	1,434
Total Assets	$ 90,803	$ 91,174

Liabilities
(000's)

Notes payable	$ —	$ 1,696
Long-term debt, curr.	1,708	1,481
Accts. payable	5,709	7,671
Accruals	7,601	7,180
Income taxes	1,480	442
Other liabilities	488	4,702
Current Liabilities	$ 16,986	$ 23,172
Long-term debt	19,044	22,552
Deferred inc. taxes	1,402	553
Other liabilities	1,001	1,139
+Common stock	1,242	1,225
Add. paid-in capital	18,961	17,964
Retained earnings	32,716	24,661
Cumulative translation adjustments	(413)	—
Treasury stock	(136)	(92)
Total Liabilities & Shareholders' Equity	$ 90,803	$ 91,174

* At lower average cost (replacement cost or net realizable value) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	18.57	1.09
Sales to Inventories	3.83	4.10
Working Capital	$46,230,000	$42,627,000
Current Ratio	3.72	2.84
Shareholders' Equity	$52,370,000	$43,758,000

The Singer Company

8 Stamford Forum
Stamford, Connecticut 06904
(203) 356-4200

mailing address:

P.O. Box 10151
Stamford, Connecticut 02151

Officers: Joseph B. Flavin, chairman of the board & chief executive officer; William F. Schmied, president & chief operating officer; Patricio H. Andrade-Marin, group v.p.-Africa, Latin America & Far East Sewing/Consumer Durables; Leonard Fischer, group v.p.-Products manufactured for the consumer; Neil J. Morrow, group v.p.-North America & Europe Sewing Products; B. Allan Shaw, group v.p.-Products & services for government; Edmund H. Damon, v.p.-corporate development; Robert J. Lynch, v.p.-corporate administration; Archibald E. MacKay, v.p. & chief financial officer; Paul D. O'Connor, Jr., v.p. & general counsel; F. Gordon Bitter, controller; Leo G. Blatz, v.p.-Africa, Latin America and Far East Sewing/Consumer Durables; John J. Brett, Kearfott Division; Edmond W. Cattan, v.p. & general tax counsel;-Maurice Center, v.p.-Librascope Division; L. John Clark, v.p.-Europe Sewing Products Division; John J. Collins, v.p.-Industrial Products Operations; Charles F. Keffer, v.p.-Education Division; Larry F. Neely, v.p.-Motor Products Division; Richard W. Snyder, v.p.-Air Conditioning & Heating Equipment Division; John N. Sprague, v.p. & treasurer; William D. Turner, v.p.-Link Flight Simulation Division; John P. Van Duyne, v.p.-engineering; Jack H. Venner, v.p.-Meter Products Division; Ralph K. Kessler, secretary.

Directors: Joseph B. Flavin*, chairman; Polly Bergen, Randolph W. Bromery, Francis E. Ferguson, Arthur H. Fredston*, Robert P. Jensen*, Lloyd L. Kelly, Archibald E. MacKay; James W. McKee, Jr.*, Donald E. Meads, Bernard J. O'Keefe*, Arthur J. Santry, Jr.*, William F. Schmied.

* Member of the Executive Committee.

Areas of Work: Operates a worldwide chain of Singer stores which sell at retail consumer goods manufactured by the Company; Consumer Sewing Machines and Related Products include sewing machines, cabinets and sewing aids, fabrics, sewing options, and floor care equipment. Manufactures and markets industrial sewing machines. Products and Services for Government include the aerospace and marine systems product area, and educational products and services. Aerospace systems operations include a broad line of navigation systems for aircraft, spacecraft, and marine vessels; guidance systems for missiles; anti-sub-marine warfare systems; aircraft, spacecraft, marine and industrial simulators; large-screen display systems; educational materials, audio-visual equipment and training products; electronic intelligence systems; telecommunications; terminals; and related systems and products. Products manufactured for the consumer include air conditioning and heating equipment, controls, meters, furniture and motor products such as vacuum cleaners and power tools manufatured for Sears Roebuck & Co.

Electronics & Related Divisions & Subsidiaries:

International Sewing Products Group
8 Stamford Forum
Stamford, Connecticut 06904
(203) 356-4200
Products: sewing machines, cabinets and sewing aids, fabrics, sewing notions, knitting machines; television, stereo and radio units; electric fans; refrigerators; washing machines; electric and gas ranges; air conditioners; and floor care equipment.

Far East Region
Singer Thailand Limited
321 Siphya Road
P.O. Box 136
Bangkok, Thailand

Pacific Region
Singer Sewing Machine Company
Room 706 Cattelya Building
Salcedo St. Legaspi Village
Makati, Rizal, Philippines

Japan Management
Singer Sewing Machine Company
5-27, Roppongi 3-chome
Minatoku (Azabu P.O. Box 24)
Tokyo, Japan

Caribbean & Latin America Region
Singer Sewing Machine Company
Ave. Principal de Boleita Norte,
al Lado CANTV
Caracas, 107, Venezuela

Brazil Region
Singer Sewing Machine Company
Praca Carlos 194, 3 Andar
Caixa Postal 7157
Sao Paulo, Brazil

Africa and Middle East Region
Singer Sewing Machine Company
Starco Building, 2nd Floor
P.O. Box 110094
Beirut, Lebanon

Climate Control Division
1300 Federal Boulevard
Carteret, New Jersey 07008
(201) 636-3000
Electric heating products, incremental heating and air conditioning systems, energy conservation conditioning equipment for hotels, apartments, hospitals, office buildings, schools and residential and commercial use; heating and air conditioning systems for residential and commercial use; warm air furnaces-gas, oil and electric. Rooftop heating and cooling systems. Electric heating elements and electric, oil and gas boilers. Electric resistance elements in tubular, flat strip, or cartridge shapes. Aluminum tin/copper tube coils; heating and cooling coils; refrigeration equipment.

Motor Products Division
P.O. Box 35
Pickens, South Carolina 29671
(803) 878-6331
Portable electric tools, aluminum die castings, small universal motors.

Products and Services for Government Group.

Aerospace and Marine Systems Division
8 Stamford Forum
Stamford, Connecticut
(203) 356-4200
Navigation systems for aircraft, spacecraft and marine vessels; guidance systems for missiles; anti-submarine warfare systems; aircraft, spacecraft, marine and industrial simulators; audio-visual equipment, education materials and training products for the U.S. Government.

Kearfott Division
1150 McBride Avenue
Little Falls, New Jersey 07424
(201) 256-4000
Products: Airborne inertial, Doppler and hybrid navigation and guidance systems; time ordered ranging systems; analog computers; digital computers; analog-digital/digital-analog converters; airborne multiplex systems; digitally controlled support equipment; test equipment platforms, gyros, accelerometers and inertial packages; electronic assemblies; servomechanism components including synchros, resolvers, sevomotors and tachometers; synchronous and stepping motors; electromechanical and hudraulic actuators.

HRB-Singer, Inc.
P.O. Box 60
Science Park
State College, Pennsylvania 16801
(814) 238-4311
ESM Systems which includes: system engineering and analysis, airborne reconnaissance systems, fixed and mobile signal processing, graphic computer analysis techniques, special signal analysis techniques, quick reaction capability, special purpose displays and EW simulation.

Librascope Division
833 Sonora Avenue
Glendale, California 91201
(213) 244-6541
Products: Naval weapon control systems, underwater acoustic systems, computing and data processing systems for shipborne antisubmarine warfare applications; mobile command/control and communications systems for the army; fixed station command/control systems for air defense including real-time displays ranging from CRT to very large screen; computer peripheral equipment such as disc memories and encoders.

Link Flight Simulation Division
Binghamton, New York 13902
(607) 772-3011
Products: Simulators for aircraft flight and mission, missile and spacecraft, and visual; general aviation flight trainers.

Silver Spring Operations
11800 Tech Road
Montgomery Industrial Park
Silver Springs, Maryland 20904
(301) 622-4400
Products: Simulators for ASW flight and tactics, helicopter, locomotive, ships handling, VTOL trainers for aircraft flight, cockpit procedures, flight procedures; Part task, radar, submarine, power generating station simulators.

Advanced Products Operation
1077 East Arques Avenue
Sunnyvale, California 94086
(408) 732-3800
Products: Digital data recording systems, visual simulation, precision scanning, radar landmass simulation, video data processing systems; research and development.

The Singer (U.K.) Ltd.
Link-Miles Operation
Churchill Industrial Estate
Lancing, Sussex, England
Products: Cockpit procedures trainers, flight simulators, visual systems, tracked vehicle simulators.

SimuFlite Training
International, Inc.
Products: Flight simulators for corporate/commercial aviation.

Metering and Controls

Meter Division
13500 Philmont Avenue
Philadelphia, Pennsylvania 19116
(215) 673-2100
Products: Flow meters, flow control instruments, large gas meters, gas equipment accessory apparatus, turbine meters, laboratory apparatus.

Canadian Meter Company Limited
3037 Derry Road West
Milton, Ontario, Canada
(416) 878-2361

Canadian Meter Company Limited
9919 65th Avenue
Edmonton, Alberta, Canada
(403) 434-8705

International Gas Apparatus
Camberley, Surrey, England

Internationale Gas Apparaten, B.V.
Kaatsheuvel, Netherlands

Controls Division
9655 W. Soreng Avenue
Schiller Park, Illinois 60176
(312) 678-4150

Appliance and Automotive Controls
9655 West Soreng Avenue
Schiller Park, Illinois 60176
(312) 678-4150
Products: Programmers, timers, liquid level controls, liquid flow controls, solenoids, synchronous motors, snap switches. (Controls for automobiles, washing machines, driers, dishwashers, vending machines, microwave ovens, display signs, humidifiers, and numerous industrial applications.)

Heat and Air Conditioning Controls
2450 North 32nd Street
Milwaukee, Wisconsin 53245
Products: Air conditioning and refrigeration controls, including automatic expansion valves; pressure regulating valves; refrigerant filter driers; solenoid valves; thermal-electric expansion valves, thermostatic expansion valves; thermostats, line voltage and low voltage; time delay relays, linear limit switches, sequencers; water regulating valves; automotive air conditioning controls; electric heat controls.

Controls Canada
Controls Company Canada Limited
39 Burwell Road
St. Thomas, Ontario, Canada
(519) 613-1750
Products: Gas, electric and oil comfort heating and appliance controls, refrigerant filter driers, fractional h.p. motors.

The Singer Company

Controls Europe
Singer Sewing Machine Company
Controls European Operation
Fabricksweg 11
P.O. Box 208
Nijmegen 6801, Netherlands

Transfer Agent(s):

The First Jersey National Bank (common & $3.50, $1.50 & $12.50 Series preferred stock)
Stock Transfer Division
One Exchange Place
Jersey City, New Jersey 07302

Crocker National Bank (common & $3.50 preferred stock)
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): New York, Pacific, Boston*, Midwest*, Phila.-Balt.-Wash*, Cincinnati*, Paris, London.

* Trading privileges only.

Ticker Symbol: SMF

Number of Employees:

1981	66,000	1978	81,000
1980	71,000	1977	86,000
1979	77,000		

Sales and Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1981	$ 2,833,600	$ 38,400
1980	2,786,600	38,100
1979	2,598,100	(92,300)
1978	2,469,200	62,800
1977	2,284,800	94,200

	No. of Com. Shares	Earn. per Share ‡ †
1981	16,612,221	$ 1.93
1980	16,591,247	1.92
1979	16,577,217	—
1978	16,575,868	3.33
1977	16,548,019	5.11

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $2,500,000 ($0.14 per share) in 1978 and $16,400,000 ($0.94 per share) in 1977.
† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues By Line of Business †
(000's)

	1981	1980
Consumer sewing mach. & rel. products	$ 1,136,600	$ 1,212,700
Industrial sewing mach. rel. products	138,200	146,300
Furniture	144,500	141,900
Power tools & floor care	178,700	171,000
Controls prods.	108,400	111,400
Air cond. & heating equipment	130,300	127,000
Meter prods.	112,100	116,500
Aerospace & Marine sys.	781,300	662,800
Education	103,500	97,000
Total	$ 2,833,600	$ 2,786,600

† Of continuing operations only.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.10	—	—
1979	0.50	—	—
1978	0.75	—	—
1977	0.25	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 268,600,000	$ 16.17
1980	236,600,000	14.26
1979	218,600,000	13.19
1978	324,600,000	19.58
1977	278,600,000	16.84

‡ After allowing for preferred stock at total liquidation preference value.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net Sales	$ 2,833,600	$ 2,786,600
Cost of sales	2,038,900	1,944,500
Expenses	666,700	711,400
Other income	37,100	(49,800)
Minority interest	3,000	(7,800)
Interest expense	112,000	77,500
For. exch. adjust.	4,500	11,400
Income before taxes	$ 60,600	$ 99,400
Income taxes	22,200	61,300
Net Income	$ 38,400	$ 38,100

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 54,600	$ 51,100
Accts. receiv., net	509,300	493,800
*Inventories	507,900	538,500
Prepaid expenses	12,300	12,000
Current Assets	$ 1,084,100	$ 1,095,400
Investments	101,400	106,700
#Fixed assets	335,600	275,200
Other assets	52,100	52,000
Total Assets	$ 1,573,200	$ 1,529,300

Liabilities
(000's)

	1981	1980
Notes & loans payable	$ 178,200	$ 155,100
Long-term debt, curr.	32,300	26,800
Accts. payable	196,900	204,600
Accruals	308,500	311,000
Income taxes	19,200	40,800
Curr. Liabilities	$ 735,100	$ 738,300
Long-term debt	307,300	276,100
Other liabilities	85,500	101,300
+ Preferred stock	25,300	25,400
+ + Common stock	166,100	165,900
Add. paid-in capital	37,100	37,000
Retained earnings	216,800	185,300
Total Liabilities & Shareholders' Equity	$ 1,573,200	$ 1,529,300

* At lower of cost or (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.14	3.57
%Net Income to Revenues	1.36	1.37
%Net Income to Equity	8.62	9.21
Sales to Inventories	5.58	5.17
Working Capital	$349,000,000	$357,100,000
Current Ratio	1.47	1.48
Shareholders' Equity	$445,300,000	$413,600,000

Snap-on Tools Corporation

2801 80th Street
Kenosha, Wisconsin 53140
(414) 656-5200

Officers: Norman E. Lutz, chairman of the board; Edwin C. Schindler, president & chief executive officer; William B. Rayburn, executive vice president & chief operating officer; Robert E. Badger, sr. v.p.-finance & corporate planning; Donald J. Johnson, v.p. & secretary; Lynn A. Ameche, sr. v.p.-marketing; Harry W. Fry, sr. v.p.-administration; Marion F. Gregory, sr. v.p.-manufacturing & product research & development; Robert J. Amen, v.p.-Eastern Division; James R. Askeris, controller; J. Ralph Brady, v.p.-Western Division; Reginald R. Gadsby, v.p.-international; Robert L. Hart, v.p.-product research & development; Allen L. Hoftiezer, v.p.-Central Division; Lowell L. Larson, treasurer; Donald E. Lyons, v.p.-employee relations; Michael F. Montemurro, asst. treasurer; Joseph R. Olson, asst. secretary & general counsel; Earl B. Reed, v.p.-national sales; Robert C. Stenman, v.p.-planning & information services; Hy Weiner, v.p.-manufacturing; Elden G. Weiss, v.p.-marketing services.

Directors: Lorne E. Bull, Donald J. Johnson, Gilbert H. McCreery, Edwin C. Schindler, Norman E. Lutz, Stanley G. Harris, Jr., Roger G. Delong, Miller Upton, William B. Rayburn, Robert E. Badger, Arthur L. Kelly, James M. Tait, Lynn A. Ameche, Robert A. Cornog.

Areas of Work: Manufactures hand tools for the professional automotive mechanic and industrial tool user, electronic diagnostic equipment, sheet metal tool chests and cabinets, wheel aligning and balancing equipment and air powered tools.

Subsidiaries:

Kelsey Welding Supply Corporation
2805 S. 160 Street
New Berlin, Wisconsin 53151
(414) 786-3801
Industrial tools and welding supplies.

Snap-on Tools of Canada Ltd.
Toronto, Ontario, Canada
Manufactures tools, tool chests and cabinets.

Herramientas Snap-on de Mexico, S.A.
Vallejo, Mexico
Distributes U.S. Mexican manufactured products throughout Mexico.

Snap-on AG
Zug, Switzerland
Distributes U.S. manufactured products throughout continental Europe.

Snap-on Tools de Mexico, S.A. de C.V.
Vallejo, Mexico
Manufactures basic tools.

Snap-on Tools International, Ltd. (DISC)
Kenosha, Wisconsin
Domestic international sales corporation.

Snap-on Tools Limited
Kettering Northant's, England
Distributes U.S. and Canadian manufactured products throughout England.

Snap-on Tool (Europe) Ltd.

Snap-on Tools GmbH
Willsbach, West Germany

Transfer Agent(s):

Harris Trust and Savings Bank
111 W. Monroe
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SNA

Number of Employees:

1981	6,126	1978	5,700
1980	6,189	1977	5,225
1979	6,200		

Plant Footage:

1981	1,758,700 sq. ft.	1978	1,318,000
1980	1,494,500	1977	1,232,000
1979	1,494,500		

Sales and Earnings

	Net Sales	Net Income
1981	$ 441,514,000	$ 40,013,000
1980	401,799,000	38,322,000
1979	373,602,000	42,603,000
1978	308,892,000	32,246,000
1977	254,383,000	22,265,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	20,164,812	$ 1.98
1980	19,939,010	1.92
1979	19,731,935	2.16
1978	19,616,232	1.64
1977	19,550,742	1.14

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.84	—	—
1980	0.83	—	—
1979	0.76	100%	—
1978	0.54	—	—
1977	0.41	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 213,057,000	$ 10.57
1980	191,335,000	9.60
1979	164,769,000	8.35
1978	134,798,000	6.87
1977	111,823,000	5.72

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 441,514,000	$ 401,799,000
Cost of sales	216,687,000	196,996,000
Expenses	148,395,000	131,962,000
Oper. profit	$ 76,432,000	$ 72,841,000
Other income	(506,000)	(497,000)
Interest expenses	5,283,000	4,900,000
Income before taxes	$ 71,655,000	$ 68,438,000
Income taxes	31,642,000	30,116,000
Net Income	$ 40,013,000	$ 38,332,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,024,000 in 1981 and $9,535,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 5,866,000	$ 5,403,000
Accts. receiv., net	122,143,000	107,225,000
*Inventories	119,991,000	112,306,000
Prepaid expenses	9,790,000	9,681,000
Current Assets	$ 257,790,000	$ 234,615,000
#Fixed assets	81,067,000	77,814,000
Other assets	293,000	190,000
Total Assets	$ 339,150,000	$ 312,619,000

Liabilities

Notes payable	$ —	$ 8,105,000
Long-term debt, curr.	2,397,000	2,393,000
Accts. payable	21,633,000	17,962,000
Accruals	34,624,000	30,879,000
Income taxes	12,319,000	7,552,000
Deposits	22,638,000	20,592,000
Curr. Liabilities	$ 93,611,000	$ 87,483,000
Loug-term debt	27,511,000	29,908,000
Deferred income taxes	4,971,000	3,893,000
+Common stock	20,193,000	20,117,000
Add. paid-in capital	7,914,000	6,592,000
Retained earnings	187,704,000	164,626,000
Currency translation adjustment	(2,754,000)	—
Total Liabilities & Shareholders' Equity	$ 339,150,000	$ 312,619,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.23	17.03
%Net Income to Sales	9.06	9.54
%Net Income to Equity	18.78	20.03
Sales to Inventories	3.68	3.58
Working Capital	$164,179,000	$147,132,000
Current Ratio	2.75	2.68
Shareholders' Equity	$213,057,000	$191,335,000

Solid Controls, Inc.

6925 Washington Avenue, South
Minneapolis, Minnesota 55435
(612) 941-6110

Officers: Ronald A. Kokesh, president; Edward A. Cashin, executive vice president; John L. Rodgers, Jr., v.p.-engineering; Thomas R. Kelly, treasurer; A. Larry Katz, secretary.

Directors: Ronald A. Kokesh, Edward A. Cashin, A. Larry Katz, Thomas R. Kelly.

Areas of Work: Designs and manufactures a widely diversified line of solid state controls for the industrial machine industry.

Transfer Agent(s):

Marquette National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	80	1977	90
1980	80	1976	60
1979	90		

Plant Footage:

1981	29,000 sq. ft.	1977	29,000
1980	29,000	1976	23,000
1979	29,000 sq. ft.		

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,999,007	$ (41,388)
1980	4,443,352	251,828
1979	5,128,152	442,245
1978	4,832,733	444,900
1977	3,717,685	310,699

	No. of Com. Shares †	Earn. per Share ×
1981	592,902	$ —
1980	592,902	0.42
1979	592,902	0.75
1978	592,902	0.75
1977	592,902	0.53

(Loss)
† Adjusted to reflect stock split.
× Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.19	—	2-for-1
1979	0.15	—	—
1978	0.15	—	—
1977	0.15	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,627,361	$ 2.74
1980	1,781,473	3.00
1979	1,700,814	2,87
1978	1,356,503	2.29
1977	1,000,537	1.69

Income Account *

Year ended March 31	1981	1980
Net sales	$ 3,999,007	$ 4,443,352
Cost of sales	2,568,796	2,639,915
Expenses	1,561,846	1,409,961
Other income	(48,735)	(51,352)
Income (loss) before taxes	$ (82,900)	$ 444,828
Income taxes	41,512	193,000
Net Income (Loss)	$ (41,388)	$ 251,828

* Included in Costs and Expenses, Depreciation: $48,434 in 1981 and $49,010 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 190,223	$ 435,667
Accts. receiv., net	571,382	866,612
Investment	4,460	5,074
*Inventories	821,563	563,628
Prepaid expenses	10,310	8,886
Current Assets	$ 1,597,938	$ 1,879,867
Marketable securities	155,031	149,175
#Fixed assets	183,281	184,305
Investment	13,173	17,633
Total Assets	$ 1,949,423	$ 2,230,980

Liabilities

Accts. payable	$ 127,311	$ 154,817
Profit sharing	—	40,000
Income taxes	—	8,498
Accruals	161,365	234,455
Curr. Liabilities	$ 288,676	$ 437,770
Deferred inc. taxes	33,386	11,737
+Common stock	29,645	29,645
Add. paid-in capital	448,763	448,763
Unrealized loss on noncurr. marketable securities	(75,144)	(81,000)
Retained earnings	1,224,097	1,384,065
Total Liabilities & Shareholders' Equity	$ 1,949,423	$ 2,230,980

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	10.01
% Net Income to Sales	—	5.67
% Net Income to Equity	—	14.14
Sales to Inventories	4.87	7.88
Working Capital	$1,309,262	$1,442,097
Current Ratio	5.54	4.29
Shareholders' Equity	$1,627,361	$1,781,473

Solid State Scientific Inc.

Montgomeryville, Pennsylvania 18936
(215) 855-8400

Officers: Henry I. Boreen, chairman and chief executive officer; George A. Rutland, president & chief operating officer; Ernesto G. D'Escoubet, v.p. & director of central research and development and Memory/Microprocessor Group; Eduardo R. Fernandez, v.p.-sales & marketing; Arthur S. Keyser, secretary; James J. Lysek, v.p. treasurer; John E. Schaefer, v.p.

Directors: Henry I. Boreen, chairman; David Hafler, Arthur S. Keyser, George A. Rutland.

Areas of Work: Operates predominantly in the electronic components industry and is primarily engaged in developing, manufacturing and marketing semiconductor devices, including complimentary metal oxide semiconductors, and custom circuits.

Subsidiary:

Solid State Scientific Hi-Rel, Inc.
Montgomeryville, Pennsylvania 18936
Produces and sells semiconductor products primarily for government applications.

Transfer Agent(s):

Philadelphia National Bank
Philadelphia, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: SSI

Number of Employees:

1980 . . . . . . 750 1979 750

Plant Footage:

1980 . . . . . . 303,000 sq. ft. 1979 78,900

Sales and Earnings

	Revenues	Net Income #
1981	$ 33,796,331	$ 676,996
1980	33,590,545	2,367,503
1979	32,434,715	2,981,440
1978	27,090,025	1,046,869
1977	21,121,753	(3,736,387)

	No. of Com. Shares ‡	Earn. per Share #‡
1981	2,481,202	$ 0.38
1980	2,479,870	1.06
1979	2,349,185	1.38
1978	2,140,585	0.57
1977	1,614,972	—

(Loss)
Including extraordinary gains of $13,000 ($0.05 per share) in 1981, $872,000 ($0.40 per share) in 1980, $635,000 ($0.32 per share) in 1979 and $121,000 ($0.08 per share) in 1978.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 14,903,525	$ 6.01
1980	14,030,533	5.66
1979	11,303,060	4.81
1978	7,355,378	3.44
1977	6,301,397	3.90

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 33,543,257	$ 33,267,226
Other income	253,074	323,319
Total income	$ 33,796,331	$ 33,590,545
Cost of sales	24,145,458	22,157,662
Expenses	7,448,633	7,742,738
Interest expense	1,503,244	828,240
Loss on sale of prod. line	—	404,402
Income bef. taxes	$ 698,996	$ 2,457,503
Income taxes	35,000	962,000
Net Income	$ 663,996	$ 1,495,503
Extraord. gain	13,000	872,000
Net Income & extraord. gain	$ 676,996	$ 2,367,503

* Included in Costs and Expenses, Depreciation and Amortization: $1,978,972 in 1981 and $2,160,044 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & short-term investments	$ 1,839,866	$ 1,529,075
Invest.-comm. stock	1,951,897	1,735,010
Accts. receiv., net	6,570,489	5,610,668
*Inventories	6,637,566	6,592,369
Other assets	241,179	113,341
Current Assets	$ 17,240,997	$ 15,580,463
#Fixed assets	25,783,712	19,211,009
Deferred prod. start-up costs	3,237,748	408,647
Other assets	160,194	399,028
Total Assets	$ 46,422,651	$ 35,599,147

Liabilities

	1981	1980
Note payable	$ 1,500,000	$ —
Long-term debt, curr.	576,092	1,080,522
Accts.payable	2,636,581	3,401,065
Adv. related to sale of prod. line	434,000	—
Accruals	1,441,498	1,341,213
Income taxes	146,619	178,375
Curr. Liabilities	$ 6,734,790	$ 6,001,175
Adv. related to sale of prod. line	—	434,000
Long-term debt	21,312,536	11,661,639
7½ subord. convert. debent.	3,471,800	3,471,800
+Common stock	835,678	822,642
Add. paid-in capital	13,210,550	13,027,577
Retained earnings	1,010,389	333,393
Treasury stock	(153,092)	(153,079)
Total Liabilities & Shareholders' Equity	$ 46,422,651	$ 35,599,147

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.40 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	2.08	7.39
%Net Income to Sales	1.98	4.50
%Net Income to Equity	4.46	10.66
Sales to Inventories	5.05	5.05
Working Capital	$10,506,207	$ 9,579,288
Current Ratio	2.56	2.60
Shareholders' Equity	$14,903,525	$14,030,533

Solitron Devices, Inc.

1177 Blue Heron Boulevard
Riviera Beach, Florida 33404
(305) 848-4311

Officers: Benjamin Friedman, president, chairman and chief executive officer; Norbert Fuhrmann, secretary and v.p.-international; Joseph Goldman, v.p.-sales and asst. secretary; Donald A. Sampson, Richard J. Trivison, v.p.'s; John J. Staydohar, v.p.-finance and treasurer.

Directors: Benjamin Friedman, chairman; Richard Trivison, Robert W. Hull, Bernard Simmons, Donald A. Sampson, Jeffrey H. Auslander.

Areas of Work: Designs, develops, produces and sells solid-state electronic components and related electromechanical devices. Among the electronic components produced are rectifiers, diodes, high voltage assemblies, power transistors, small signal transistors, field effect transistors, thick-film hybrid circuits, monolithic integrated circuits, MOS devices MOS/Fet memory arrays, crystal oscillators and timing circuits, shift registers, standard and custom C/MOS circuits, microwave resistors and attenuators, flexible coaxial cable, stripline products. Through its subsidiary, Faratron Corp., produces test instruments including power supplies, digital panel meters, electronic frequency counters, analog voltmeters and ammeters.

Divisions and Subsidiaries:

Solitron Devices
1177 Blue Heron Boulevard
Riviera Beach, Florida 33404
(305) 848-4311

Solitron Devices
8808 Balboa Avenue
San Diego, California 92123
(714) 278-8780

Solitron/Microwave
P.O. Box 278
Port Salerno (Stuart), Florida 33492
(305) 287-5000

Solidev Ltd.
Edison Road
Elms Industrial Estate
Bedford, Beds, England

Solidev (HK) Ltd.
2nd Floor Units C. D.
33 Tseuk Luk Street
San Po Kong
Kowloon, Hong Kong

Solider Mexicana, S.A.
Centro Barranquita
Blvd. Aqua
Caliente 1601-4
Tijuana, Baja California, Mexico

Solidev International Sales Corp.
Solidev Holding, S.A.
Solitron Development Corporation

Telecommunications Division

Electric Vehicle Division

Acquisition(s):

Electro Oxide
Manufactures conductive pastes used in film circuits.

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): American, Pacific

Ticker Symbol: SOD

Number of Employees:

1978 . . . . . . 1,075 1976 1,100
1977 1,000

Plant Footage:

1978 . . . . . . 319,000 sq. ft. 1976 295,000
1977 295,000

Sales and Earnings

	Net Sales	Net Income #
1981	$ 38,273,000	$ 3,004,000
1980	30,841,000	3,763,000
1979	26,252,000	3,331,000
1978	24,224,000	1,410,000
1977	22,938,000	1,557,000

	No. of Com. Shares	Earn. per Share + #
1981	4,741,906	$0.63
1980	4,748,156	0.79
1979	4,757,256	0.70
1978	4,651,845	0.30
1977	4,651,845	0.33

# Including extraordinary credits of $118,000 ($0.02 per share) in 1981, $1,711,000 ($0.36 per share) in 1980, $1,573,000 ($0.33 per share) in 1979, $1,089,000 ($0.23 per share) in 1978, $772,000 ($0.17 per share) in 1977.

+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 25,893,000	$5.46
1980	23,011,000	4.85
1979	19,308,000	4.06
1978	15,608,000	3.36
1977	14,198,000	3.05

Income Account *

Year ended	2/28/81	2/29/80
Net Sales	$ 38,273,000	$ 30,841,000
Cost of sales	25,404,000	20,813,000
Expenses	8,944,000	6,610,000
Depreciation & amortization	1,239,000	1,016,000
Oper. Income	$ 3,925,000	$ 3,418,000
Other income	633,000	421,000
Gain on sale	398,000	224,000
Total	$ 4,956,000	$ 4,063,000
Interest expenses	133,000	209,000
Income bef. taxes	$ 4,823,000	$ 3,854,000
Charge in lieu of inc. taxes	1,937,000	1,802,000
Net Income	$ 2,886,000	$ 2,052,000
Extraord. credit	118,000	1,711,000
Net Income & extraord. credit	$ 3,004,000	$ 3,763,000

Assets

As of	2/28/81	2/29/80
Cash	$ 2,002,000	$ 2,029,000
Marketable securities	838,000	730,000
Accts. & notes receiv., net	8,740,000	6,142,000
* Inventories	12,812,000	10,697,000
Prepaid expenses	170,000	139,000
Curtent Assets	$ 24,562,000	$ 19,737,000
Investments in real estate	1,110,000	1,110,000
# Fixed assets	8,289,000	6,925,000
Other assets	587,000	450,000
Total Assets	$ 34,548,000	$ 28,222,000

Liabilities

Long-term notes, curr.	$ 618,000	$ 385,000
Convert. debent.	1,698,000	570,000
Accrued expenses	1,374,000	1,092,000
Income taxes	1,531,000	91,000
Curr. Liabilities	$ 5,221,000	$ 3,696,000
Long-term notes	2,666,000	1,515,000
Deferred income	583,000	—
Deferred income taxes	185,000	—
+ Common stock	6,122,000	6,122,000
Add. paid-in capital	30,541,000	30,662,000
Deficit	(2,370,000)	(5,374,000)
Treasury stock	(8,400,000)	(8,399,000)
Total Liabilities & Shareholders' Equity	$ 34,548,000	$ 28,222,000

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sale	12.60	12.50
%Net Income to Sales	7.54	6.65
%Net Income to Equity	11.15	8.92
Sales to Inventories	2.99	2.88
Working Capital	$ 19,341,000	$ 16,041,000
Current Ratio	4.70	5.34
Shareholders' Equity	$ 25,893,000	$ 23,011,000

Sonar Radio Corporation

3000 Stirling Road
Hollywood, Florida 33021
(305) 981-8800

Officers: Bernard Klein, president & chairman of the board; Daniel Klein, v.p., secretary, & treasurer; Leon Popiel, v.p.-mfg.

Directors: Bernard Klein, chairman; Daniel Klein.

Areas of Work: Markets marine radio telephones, depth indicators and a direction finder for pleasure boating; transceivers and monitor receivers for police, fire, commercial and noncommercial applications; two-way commercial portable, mobile and base radio telephones; and VHF-FM radio paging communications systems.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 2,227,493	$ 20,466
1980	2,147,371	(14,717)
1979	2,563,435	59,780
1978	2,379,991	(491,919)
1977	3,593,345	(70,129)

	No. of Com. Shares	Earn. per Share #‡
1981	336,582	$ 0.06
1980	360,143	—
1979	417,157	0.14
1978	417,157	—
1977	417,157	—

(Loss)

‡ Including extraordinary credit of $3,479,000 ($0.01 per share) in 1981 and $15,800 ($0.04 per share) in 1979.

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,375,694	$ 4.09
1980	1,374,202	3.82
1979	1,500,309	3.60
1978	1,440,529	3.45
1977	1,932,448	4.63

Income Account *

Year ended June 30	1981	1980
Net sales	$ 2,227,493	$ 2,147,371
Other income	6,438	8,222
Total Income	$ 2,233,931	$ 2,155,593
Cost of sales	1,462,137	1,241,798
Expenses	669,743	855,576
Interest expense	81,585	72,936
Income (loss) before taxes	$ 20,466	$ (14,717)
Income taxes	3,479	—
Net Income (Loss)	$ 16,987	$ (14,717)
Extraord. credit	3,479	—
Net Income (Loss) & Extraord. Credit	$ 20,466	$ (14,717)

* Included in Costs and Expenses, Depreciation and Amortization: $62,253 in 1981 and $65,485 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 27,195	$ 25,636
Marketable securities	263	201
Accts. receiv., net	273,213	279,113
*Inventories	1,213,375	1,090,252
Prepaid expenses	11,267	16,629
Current Assets	$ 1,525,313	$ 1,411,831
#Fixed assets	858,577	904,238
Other assets	17,375	23,009
Total Assets	$ 2,401,265	$ 2,339,078

Liabilities

Notes payable	$ 130,427	$ 137,613
Oblig. under cap. leases-curr. portion	2,714	2,487
Accts. payable	230,111	164,758
Accruals	54,401	54,598
Other liabilities	23,160	23,492
Curr. Liabilities	$ 440,813	$ 382,948
Long-term debt	549,814	563,943
Notes payable	3,436	6,763
Oblig. under cap. leases-non-current portion	8,508	11,222
Loans payable	23,000	—
+Common stock	44,341	44,341
Add. paid-in capital	1,039,882	1,039,882
Retained earnings	489,733	469,267
Treasury stock	(198,262)	(179,288)
Total Liabilities & Shareholders' Equity	$ 2,401,265	$ 2,339,078

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.92	—
%Net Income to Sales	0.76	—
%Net Income to Equity	1.23	—
Sales to Inventories	1.84	1.97
Working Capital	$1,084,500	$1,028,883
Current Ratio	3.46	3.69
Shareholders' Equity	$1,375,694	$1,374,202

Soundesign Corporation

34 Exchange Place
Jersey City, New Jersey 07302
((201) 434-1050

Officers: Saul E. Ashkenazi, chairman of the board; Ely E. Ashkenazi, president; Morris I. Franco, executive v.p.; Samuel Laniado, Robert H. Winer, Harry I. Franco, senior vice presidents; Chabetaye Chraime, senior vice president-treasurer; Thomas R. Greene, vice president-adm.; Albert A. Ades, vice president-sales; Bernard Weinstein, vice president-finance & comptroller; Leslie Nanasi, v.p.; Howard L. Klein, secretary; Morris Ashear, assistant secretary; Jeraldine Jacobs, asst. comptroller.

Directors: Saul E. Ashkenazi, chairman; Ely E. Ashkenazi, Harry I. Franco, Morris I. Franco, Chabetaye Chraime, Samuel Laniado, Robert H. Winer, Samuel Gindi, Julian Hoffman, Abrahem Cohen.

Areas of Work: Engaged in the design, production, importation and distribution of consumer electronic products. Products include component stereo systems, stereo consoles, portable, table and clock radios, cassette tape recorders, and other related products.

Divisions:

Soundesign Eastern
34 Exchange Place
Jersey City, New Jersey 07302

Soundesign Western
13111 Temple Avenue
City of Industry, California 91746

Soundesign Corporation

Domestic Subsidiaries:

Soundesign Indiana Corporation
Highway No. 162
Santa Claus, Indiana 47579

Apex Manufacturing Company, Inc.
107 Trumbull Street
Elizabeth, New Jersey 07206

Soundesign Export Corporation
34 Exchange Place
Jersey City, New Jersey 07302

Foreign Subsidiaries:

Soundesign Corp. (Hong Kong) Ltd.
Kowloon Centre, 2nd Floor
29-43 Ashley Road
Kowloon, Hong Kong

Soundesign Corp. (Japan) Ltd.
9-14-2 Chome
Nihonbashi, Chuo-Ku
Tokyo, Japan

Transfer Agent(s):

Manufacturers Hanover Trust Co.
4 New York Plaza
New York, New York 10015

Registrar & Transfer Co.
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: SON

Number of Employees:

1981 600

Plant Footage:

1981 . . . . . . 1,140,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 159,684,000	$ 3,075,000
1980	138,242,000	922,000
1979	161,789,000	741,000
1978	143,380,000	1,002,000
1977	154,703,000	8,756,000

	No. of Com. Shares #	Earn. per Share # ‡
1981	2,248,000	$ 1.37
1980	2,283,000	0.40
1979	2,450,000	0.30
1978	2,635,000	0.38
1977	3,091,000	2.83

‡ Including extraordinary gain of $118,000 ($0.05 per share) in 1979.

Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.20	—	—
1980	0.25	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 33,645,000	$ 14.97
1980	31,551,000	13.82
1979	32,108,000	13.11
1978	33,729,000	12.80
1977	35,632,000	11.53

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 159,684	$ 138,242
Cost of sales	125,280	108,555
Expenses	24,842	21,921
Interest expense	3,656	6,265
Income before taxes	$ 5,906	$ 1,501
Income taxes	2,831	709
Cum. effect of acctng. change	—	(130)
Net Income	$ 3,075	$ 922

* Included in Costs and Expenses, Depreciation and Amortization: $1,183,000 in 1981 and $1,084,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 15,186	$ 4,241
Receiv., net	22,892	22,220
*Inventories	39,694	38,847
Other assets	2,001	2,385
Current Assets	$ 79,773	$ 67,693
#Fixed assets	8,513	9,275
Total Assets	$ 88,286	$ 76,968

Liabilities
(000's)

	1981	1980
Notes payable	$ 24,635	$ 19,640
Accts. payable	9,061	5,451
Accruals	4,776	4,309
Income taxes	1,973	1,236
Curr. Liabilities	$ 40,445	$ 30,636
Long-term debt	12,511	13,095
Deferred inc. taxes	1,685	1,686
+Common stock	3,674	3,674
Add. paid-in capital	11,691	11,691
Retained earnings	34,014	31,388
Treasury stock	(15,734)	(15,202)
Total Liabilities & Shareholders' Equity	$ 88,286	$ 76,968

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.70	1.09
% Net Income to Sales	1.93	0.67
% Net Income to Equity	9.14	2.92
Sales to Inventories	4.02	3.56
Working Capital	$39,328,000	$37,057,000
Current Ratio	1.97	2.21
Shareholders' Equity	$33,645,000	$31,551,000

Spang Industries, Inc.

Box 751
Butler, Pennsylvania 16001
(412) 287-8781

Officers: Frank E. Rath, chairman of the board; Robert A. Rath, president; Robert W. Olmsted, exec.v.p.; William T. Marsh, v.p. & secretary; Frank E. Rath, Jr., v.p.; Charles R. Dorsch, v.p. & treasurer.

Directors: Frank E. Rath, Robert A. Rath, Frank E. Rath, Jr.

Areas of Work: Operates in three principal industries: electronic components (including specialty electronic alloys, electromagnetic devices, transformers, and industrial control systems), and sheet metal and plastic toys and games.

Divisions and Subsidiaries:

Magnetics
Butler, Pennsylvania 16001
(412) 285-4711

Wolverine Toy Company
Booneville, Arkansas 72927
(601) 675-2000
Manufactures and sells toys.

Transfer Agent(s):

Pittsburgh National Bank
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPNG (NASDAQ)

Sales and Earnings

	Operating Revenues +	Net Income
1982	$ 53,091,000	$ 6,065,730
1981	53,370,000	4,465,548
1980	52,744,000	4,702,207
1979	45,072,000	3,717,965
1978	37,067,000	2,037,046

	No. of Com. Shares	Earn. per Share ‡
1982	2,397,667	$ 2.53
1981	2,397,667	1.86
1980	2,397,667	1.96
1979	2,397,667	1.55
1978	2,397,667	0.85

+ Of continuing operations only.

‡ Based on the average number of shares outstanding during the year.

Revenues By Line of Business

	1982	1981
Electronic components	$ 39,698,000	$ 39,877,000
Toys & games	13,393,000	13,493,000
Total	$ 53,091,000	$ 53,370,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.36	—	—
1981	0.30	—	—
1980	0.27	—	—
1979	0.22	—	—
1978	0.22	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 42,468,820	$ 17.71
1981	37,266,250	15.54
1980	33,520,009	13.98
1979	29,465,172	12.29
1978	26,274,694	10.96

Income Account *

Year ended Jan. 31	1982	1981
Oper. revenues	$ 53,090,790	$ 53,370,174
Cost of sales & contracts	33,233,955	34,606,431
Expenses	10,074,127	8,888,022
Depreciation	1,904,668	1,864,512
Interest income	(2,974,658)	(656,308)
Income before taxes	$ 10,852,698	$ 8,667,517
Income taxes	5,299,000	4,275,000
Inc. - cont. oper.	$ 5,553,698	$ 4,392,517
Inc. - discont. oper.	512,032	73,031
Net Income	$ 6,065,730	$ 4,465,548

Assets

As of Jan. 31	1982	1981
Cash	$ 1,101,964	$ 1,007,617
Marketable securities	32,473,732	14,800,427
Short-term investments	—	909,422
Accts. receiv. net	9,212,646	14,620,308
*Inventories & contracts	5,360,302	7,291,548
Def. inc. tax benefit	493,400	—
Prepaid expenses	84,298	264,255
Current Assets	$ 48,726,342	$ 38,893,577
#Fixed assets	13,018,299	12,717,586
Total Assets	$ 61,744,641	$ 51,611,163

Liabilities

	1982	1981
Short-term loan with parent	$ 1,073,111	$ —
Cap. lease oblig. curr.	600,000	600,000
Accts. payable	2,439,546	1,667,528
Accruals	2,197,429	2,749,176
Income taxes	2,664,876	1,184,983
Deferred inc. taxes	—	864,000
Curr. Liabilities	$ 11,442,146	$ 7,795,419
Cap. lease oblig.	6,716,075	5,635,294
Deferred inc. taxes	1,117,600	914,200
+Common stock	2,403,780	2,403,780
Add. paid-in capital	1,093,083	1,093,083
Retained earnings	39,056,686	33,854,116
Treasury stock	(84,729)	(84,729)
Total Liabilities & Shareholders' Equity	$ 61,744.641	$ 51,611,163

* At (LIFO) cost.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.28	11.98
Working Capital	$37,284,196	$31,098,158
Current Ratio	4.26	4.99
Shareholders' Equity	$42,468,820	$37,266,250

Sparton Corporation

2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

Officers: John J. Smith, chairman of the board & chief executive officer; David W. Hockenbrocht, president & chief operating officer; Blair H. Thompson, vice president, treasurer & asst. secretary; Richard D. Mico, v.p. & gen. mgr.-Sparton Southwest, Inc.; Lawson K. Smith, v.p. & secretary; William E. Becktell, v.p. & gen. mgr.-Sparton Manufacturing; Richard C. French, v.p. & gen. mgr.-Lake Odessa Machine Products, Inc.; M.C. Muehmel, v.p. & gen. mgr.-Allied Automation Systems; Richard H. Nichols, asst. secretary & asst. treasurer; Lawrence R. Staszak, pres. & gen. mgr.-Sparton of Canada, Ltd.; Deloy G. Monroe, v.p. & staff consultant-Sparton Electronics Div.; David J. Dzierwa, v.p.-gen. mgr., Michigan Oil Company.

Directors: Marshall V. Noecker, John J. Smith, Waldo I. Stoddard, L.K. Smith, J.N. DeBoer, Blair H. Thompson, David W. Hockenbrocht, Robert J. Kirk, Ned A. Kilmer.

Divisions and Subsidiaries:

Sparton Electronics Division
2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

High reliability electronic, electro-mechanical and mechanical equipment for the U.S. Military, particularly in oceanography, communications and navigation, sonobuoys, under-water ordinance and anti-submarine warfare.

Sparton Manufacturing Company
P.O. Box 399
Flora, Illinois 62839
(618) 662-2101

Automobile, truck, marine, ordinance and industrial horns, directional signals for trucks and off highway construction equipment, automotive and marine safety accessories; and automotive stampings.

Sparton of Canada, Ltd.
100 Elm Street
London, Ontario, Canada
(519) 455-6320

Military electronic equipment for the Canadian government.

Sparton Electronics Florida, Inc.
Johnson Lake Road
Box 788
DeLeon Springs, Florida 32028
(904) 985-4631

Sparton Colorado, Inc.
2897 North Avenue
Box 2105
Grand Junction, Colorado 81501
(303) 243-6000

Sparton Indiana, Inc.
301 East Bridge Street
Brownstown, Indiana 47220
(812) 358-3664

Allied Automation Systems
17333 Healy Avenue
Detroit, Michigan 48212
(313) 892-3040

Highly engineered power conveyor equipment, automatic tire mounting machines and automated materials handling equipment primarily for the automotive industry.

Sparton Southwest, Inc.
9621 Coors Road, N.W.
Albuquerque, New Mexico 87103
(505) 898-1150

High reliability sub-assemblies for detection satellites; precision electro-mechanical components for weapon arming, fuzing and control; programmed automatic test equipment; transducers and related instruments for guidance, control and telemetry of guided missiles and piloted aircraft. Products for the commercial/industrial markets include telecommunications pressure sensors, electrical conversion kits adaptable to mechanical chart drive recorders currently used by the oil industry, pressure switches, velocity gages and pressure transducers.

Lake Odessa Machine Products
1201 North 4th Avenue
Lake Odessa, Michigan 48849
(616) 374-8863

Manufacturer of automotive parts and accessories consisting primarily of small and medium chassis underbody and innerbody stampings and wire accessories.

Michigan Oil Company
P.O. Box 1328
Jackson, Michigan 49204
(517) 788-9770

Exploration and production of oil and gas in the Michigan Basin.

Transfer Agent(s):

Union Commerce Bank
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: SPA

Plant Footage:

1981	1,104,068 sq. ft.	1978	1,000,000
1980	1,104,068	1977	1,035,360
1979	1,104,068		

Sales and Earnings ‡

	Net Sales	Net Income #	No. of Com. Share	Earn. per Share + #
1981	$ 126,587,835	$ 7,300,687	3,410,744	$ 2.14
1980	96,510,146	2,298,520	1,708,847	0.67
1979	81,583,709	5,129,733	1,696,872	1.52
1978	77,156,869	1,648,381	1,679,797	0.49
1977	65,561,252	3,251,748		

‡ Restated to reflect change in income tax allocation related to capitalized intangible costs.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.
# Including extraordinary gains of $200,000 ($0.12 per share) in 1979 and $56,000 ($0.03 per share) in 1978.

Revenues By Line of Business

	1981	1980
Defense electronic products	$ 86,766,275	$ 60,919,626
Auto parts & marine accessories	24,773,467	23,527,627
Conveyors	15,048,093	12,062,893
Oil & gas	6,775,614	4,438,256
Total	$ 133,363,449	$ 100,948,402

Common Stock †

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.50	—	2-for-1
1980	0.425	—	—
1979	0.325	—	—
1978	0.255	—	—
1977	0.21	—	—

† Adjusted to reflect stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 37,494,958	$ 10.99
1980	32,021,261	18.74
1979	31,100,775	18.33
1978	26,980,443	16.06

‡ Restated to reflect change in income tax allocation.
† Adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Manufacturing:		
Net sales	$ 126,587,835	$ 96,510,146
Cost of sales	102,669,327	82,052,654
Expenses	10,405,894	9,480,965
Oper. income	$ 13,512,614	$ 4,976,527
Oil & Gas:		
Revenues	6,775,614	4,438,256
Costs & Exp.	6,487,964	4,341,037
Oper. profit	287,650	97,219
Interest expense	1,648,986	1,783,552
Other income	(284,409)	(3,326)
Income before taxes	$ 12,435,687	$ 3,293,520
Income taxes	5,135,000	995,000
Net Income	$ 7,300,687	$ 2,298,520

* Included in Costs and Expenses, Depreciation and Depletion: $2,023,057 in 1981 and $1,690,225 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 2,064,957	$ 2,433,979
Accts. receiv., net	19,076,732	11,388,666
Refund. inc. taxes	—	2,632,000
*Inventories	20,446,242	24,790,189
Prepaid expenses	521,963	465,153
Current Assets	$ 42,109,894	$ 41,709,987
#Fixed assets	9,041,407	8,925,976

‡Oil and gas prop.	9,487,150	6,501,718
Other assets	301,087	345,156
Total Assets	$ 60,939,538	$ 57,482,837

Liabilities

Notes payable	$ 5,995,000	$ 11,445,000
Accts. payable	6,438,006	8,049,382
Accruals	2,621,735	2,294,735
Salaries and wages	1,589,993	1,394,213
Dividends declared	426,318	427,181
Income taxes	4,229,505	152,675
Curr. Liabilities	$ 21,300,557	$ 23,763,186
Deferred compensation	1,441,023	1,263,390
Deferred inc. taxes	703,000	435,000
+Common stock	4,263,430	2,136,059
Capital in excess of par value	19,443	1,597,004
Retained earnings	33,212,085	28,288,198
Total Liabilities & Shareholders' Equity	$ 60,939,538	$ 57,482,837

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated depreciation and depletion.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.82	3.41
%Net Income to Sales	5.77	2.38
%Net Income to Equity	19.47	7.18
Working Capital	$20,809,337	$17,946,801
Current Ratio	1.98	1.76
Shareholders' Equity	$37,494,958	$32,021,261

Spectra-Physics, Inc.

3333 North First Street
San Jose, California 95134
(408) 946-6080

Officers: Herbert M. Dwight, Jr., chairman & president; Samuel D. Colella, exec. v.p.-instrument group; George H. Von Gehr, Jr., exec. vp.-instrument group; Michael R. Gaulke, Jr., v.p.-finance & administration; Theodore L. Teach, v.p. & div. mgr.; Kenneth A. Ruddock, v.p.; Klaus F. Derge, v.p.-int'l; Robert J. Gallagher, v.p.-European Operations; William L. Overell, v.p. & controller; John J. Poggi, Jr., corporate councel & secretary; Michael E. Kahn, v.p., div. mgr.-Constructon Systems; Zoltan A. Csimma, v.p. employ. relation.

Directors: Herbert M. Dwight, Jr., chairman; William E. Ayer, Everett A. Cooper, John G. Linvill, John M. Lillie, Kenneth A. Ruddock, Thomas J. Perkins.

Areas of Work: Engaged in the development, manufacture and sale of gas lasers, laser and optical accessories, ranging and construction alignment equipment, and electronic instrumentation for analytical instruments.

Divisions:

Laser Instruments Division
Manufactures gas and dye lasers and instruments

Laser Analytics Division
Produces laser source spectrometers.

Autolab Division
Manufactures chromatography instruments.

Construction Systems Division
Engaged in the manufacture of laser instruments for engineering and construction alignment.

Laserplane Division
Manufactures guidance and control systems for earth-moving equipment.

Component Laser Division
Designs and produces gas lasers and electronic label reading devices.

Subsidiaries:

Spectra-Physics, Ltd.
17 Brick Knoll Park
St. Albans A1 1 5UF
Herts, England

Spectra-Physics, B.V.
Kanaaldijk Noord 61
5642 J.A. Eindhoven
Eindhoven, The Netherlands

Spectra-Physics, A.G.
Kluserstrasse 39
4054 Basel
Switzerland

Spectra-Physics, GmbH
Siemenstrasse 20
D-6100 Darmstadt-Kranichstein
West Germany

Spectra-Physics, S.A.R.L.
Avenue de Scandinavie
Za de Courtaboeuf
91941 Les Ulis Cedex
France

Spectra-Physics K.K.
Higashiyama building 5F
1-1-2 Higashiyama
Megura-Ku, Tokyo 153
Japan

Acquisition(s):

GTE Sylvania Laser Products
Manufactures industrial lasers.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SPY

Number of Employees:

1981	2,104	1978	1,580
1980	2,222	1977	1,360
1979	2,098		

Plant Footage:

1981	872,000 sq. ft.	1978	419,000
1980	819,000	1977	317,000
1979	548,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 135,740,000	$ 2,518,000
1980	139,611,000	9,742,000
1979	96,033,000	7,737,000
1978	66,094,000	5,512,000
1977	52,546,000	3,905,000

	No. of Com. Shares #	Earn. per Share #
1981	4,598,000	$ 0.55
1980	4,747,000	2.17
1979	4,246,000	1.87

‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on weighted average number of common shares and common share equivalents shares outstanding.

Revenues By Line of Business

	1981	1980
Intruments	$ 61,337	$ 63,764
Industrial laser applications	47,199	40,951
Laser systems & components	28,204	34,896
Total	$ 135,740	$ 139,611

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 64,416,000	$ 14.01
1980	57,434,000	12.09
1979	42,657,000	10.05

† Restated.
‡ Based on weighted average number of common shares and common share equivalents shares outstanding.

Income Account
(000's)

Year ended Sept. 30	1981	1980 ‡
Net sales	$ 135,740	$ 139,611
Cost of sales	76,588	72,312
Expenses:		
Res. & Develop.	11,946	10,412
Marketing	38,915	37,399
Interest expense	5,143	2,534
Income before taxes	$ 3,148	$ 16,956
Income taxes	630	7,214
Net Income	$ 2,518	$ 9,742

‡ Restated.

Assets
(000's)

As of Sept. 30	1981	1980 ‡
Cash	$ 4,302	$ 2,465
Accts. receiv., net	32,914	34,068
*Inventories	36,582	37,210
Prepaid expenses	3,707	1,870
Current Assets	$ 77,505	$ 75,613
#Fixed assets	46,021	20,546
Other assets	4,522	4,190
Intangibles	12,669	9,865
Total Assets	$ 140,717	$ 110,214

Liabilities
(000's)

Notes payable	$ 20,542	$ 6,060
Accts. payable	6,309	7,091
Accruals	9,904	10,241
Income taxes	6	2,414
Long-term debt, curr.	2,515	3,606
Curr. Liabilities	$ 39,276	$ 29,420
Long-term debt	29,420	21,710
Capitalized leases	6,453	1,650
Deferred income taxes	1,152	—
+Common stock	920	886
Add. paid-in capital	22,991	18,561
Retained earnings	40,505	37,987
Total Liabilities & Shareholders' Equity	$ 140,717	$ 110,214

‡ Restated.
* At lower of standard cost (FIFO) or market, after allowance for obsolete, slow-moving and defective goods.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.32	12.15
%Net Income to Sales	1.86	6.98
%Net Income to Equity	3.91	16.92
Sales to Inventories	3.71	3.52
Working Capital	$38,229,000	$46,193,000
Current Ratio	1.97	2.57
Shareholders' Equity	$64,416,000	$57,434,000

Spectrum Control, Inc.

8061 Avonia Road
Fairview, Pennsylvania 16415
(814) 474-1571

Officers: Thomas L. Venable, chairman of the board, president & treasurer; Geoffrey Robinson, sr. v.p.-engineering; Glenn L. Warnshuis, v.p.-engineering; Elmer Ziegler, v.p.-manufacturing, Electromagnetic Division; John R. Lane, v.p.-marketing; James A. Siegel, asst. treasurer; Louise A. Stuart, asst. secretary; Edward W. Gross, Jr., v.p.-manufacturing services; Jack Baker, v.p.-engineering, Material Sciences Division; Olin Stanliff, v.p.-manufacturing, Material Sciences Division; James F. Toohey, secretary; William R. Crotty, Sr.

Directors: William R. Crotty, Sr., John R. Lane, John P. Leemhuis, John M. Petersen, James F. Toohey, Gerald A. Ryan, Thomas L. Venable, Glenn Warnshuis.

Areas of Work: Designs, manufactures and markets electromagnetic components which are used to filter out electronic pollution or interference in modems, communication receivers, and other electronic equipment.

Divisions:

Electromagnetic Division
8061 Avonia Road
Fairview, Pennsylvania 16415

Material Science Division
600 Erie Street
Saegertown, Pennsylvania

Western Electromagnetic Division
28106 Avenue Crocker
Valencia, California 91355
(805) 257-2280

Transfer Agent(s):

Marine Bank Trust Department
901 State Street
Erie, Pennsylvania 16501

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEC (NASDAQ)

Number of Employees:

1981 450

Sales and Earnings

	Net Sales	Net Income
1981	$ 16,510,454	$ 1,437,736
1980	14,302,706	1,077,542
1979	9,708,118	815,550
1978	6,782,150	566,137
1977	5,321,942	466,994

	No. of Com. Shares	Earn. per Share ‡
1981	5,297,568	$ 0.30
1980	3,980,768	0.25
1979	N.A.	0.19
1978	N.A.	0.14
1977	N.A.	0.13

N.A. - Not available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.04	—	—
1980	0.035	—	—
1979	0.029	—	—
1978	0.028	—	—
1977	0.016	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 10,290,139	$ 1.94
1980	3,906,518	0.98
1979	2,950,000	—
1978	2,230,000	—
1977	1,640,000	—

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 16,510,454	$ 14,302,706
Cost of sales	10,850,637	9,148,538
Expenses	3,526,318	2,890,031
Dividend & int. income	(491,676)	—
Interest expense	298,842	345,223
Income before taxes	$ 2,326,333	$ 1,918,914
Income taxes	888,597	841,372
Net Income	$ 1,437,736	$ 1,077,542

* Included in Costs and Expenses, Depreciation and Amortization: $432,498 in 1981 and $384,952 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 64,934	$ 43,125
Accts. receiv., net	2,521,628	2,526,984
Dividends receiv.	86,913	—
Notes receiv.	181,000	—
*Inventories	3,485,095	3,179,535
Prepaid expenses	112,819	163,098
Current Assets	$ 6,452,389	$ 5,912,742
Investments	4,110,948	—
#Fixed assets	4,120,354	3,566,985
Other assets	42,103	42,653
Total Assets	$ 14,725,794	$ 9,522,380

Liabilities

	1981	1980
Long-term debt, curr.	$ 203,648	$ 193,304
Short-term debt	200,000	1,240,000
Accts. payable	1,199,140	1,160,852
Accrued payroll	607,604	464,106
Profit sharing	130,000	125,000
Accrued interest	5,096	5,783
Income taxes	170,673	397,721
Curr. Liabilities	$ 2,516,161	$ 3,586,766
Long-term debt	1,615,573	1,817,684
Deferred inc. taxes	303,921	211,412
+Common stock	6,219,526	765,387
Retained earnings	4,388,808	3,142,671
Unreal. loss on eq. securities	(316,655)	—
Treasury stock	(1,540)	(1,540)
Total Liabilities & Shareholders' Equity	$ 14,725,794	$ 9,522,380

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	14.09	13.42
%Net Income to Sales	8.71	7.53
%Net Income to Equity	13.97	27.58
Sales to Inventories	4.74	4.50
Working Capital	$ 3,936,228	$2,325,976
Current Ratio	2.56	1.65
Shareholders' Equity	$10,290,139	$3,906,518

Sperry Corporation

(formerly Sperry Rand Corporation)

1290 Avenue of the Americas
New York, New York 10104
(212) 956-2121

Officers: J. Paul Lyet, chairman of the board & chief executive officer; Alfred J. Moccia, vice chairman of the board & chief financial officer; Kenneth F. Thompson, group exec. v.p.; Richard L. Gehring, exec. v.p.; John A. Huston, sr. v.p. & general counsel; Frank D. Sweeten, sr. v.p. organization & personnel; Thomas Beaver, Jr., v.p.-planning; Richard R. Mau, v.p.-corp. & gov't relations; Vincent R. McLean, v.p.-finance; Gerald K. Howard, v.p.-tax; Charles H. Schmitter, secretary; John Greifenberger, v.p. & controller; Thomas V. Hirschberg, v.p.-insurance; Abner B. Martin, v.p.-defense & aerospace; H.G. McCarty, v.p.-Sperry New Holland; Carlton B. Crenshaw, treasurer; Gerald G. Probst, president & chief operating officer; Richard R. Brown, v.p.-finance.

Directors: J. Paul Lyet*, James D. Finley*, H. Myles Jacob*, Kenneth F. Thompson, Gerald G. Probst, Alfred J. Moccia*, Willard S. Boothby, Jr., Norma T. Pace*, Richard R. Shinn, Donald V. Seibert*, Clifton C. Garvin, Jr., William L. Wearly, E. Shelton Fisher.

*Member of the Executive Committee.

Divisions:

Sperry Division
Great Neck, New York 11020
(516) 574-1111

Guidance and control systems, electronic components, radar, sonar devices, aerospace and marine navigation equipment, technical and business management of complex systems programs, and electro-optics.

Sperry Univac Division
P.O. Box 500
Blue Bell, Pennsylvania 19424
(215) 542-4011

Electronic data processing systems for commercial and defense applications, peripheral equipment and supplies; minicomputers; information service facilities; office equipment. Through its Defense Systems operations, Sperry Univac designs, develops, and produces durable land-based, shipboard and airborne computers for the U.S. government.

Sperry New Holland Division
New Holland, Pennsylvania 17557
(717) 354-1121

Farm machinery and industrial equipment.

Sperry Vickers Division
1401 Crooks Road
P.O. Box 302
Troy, Michigan 48084
(313) 576-3000

Fluid power components and systems for mobile, industrial, aerospace, marine, and ordnance equipment; numerical control systems for industrial equipment; industrial electromechanical; clutches and brakes; winches, power take-offs, and gear reducers for mobile, marine, and industrial applications.

Sperry Flight Systems Division
21111 North 19 Avenue
Phoenix, Arizona 85027
(602) 942-2311

Manufacturer of navigation, guidance and control systems and instruments used in miliary aircraft, commercial aviation, general aviation (the civilian non-airline market) and aerospace vehicles.

Foreign Subsidiaries:

Sperry Rand Australia Limited
Dandenong, Victoria, Australia

Sperry Rand Ges.m.b.H.
Vienna, Austria

Sperry Rand Argentina, S.A. Commercial
E Industrial
Buenos Aires, Argentina

Sperry Rand (Ireland) Limited
Cobham, Surrey, Ireland

Sperry Rand Asia, Inc.
Tokyo, Japan

Sperry Rand Espanola, S.A.
Barcelona, Spain

Remington Rand Colombiana S.A.
Bogota, Colombia

Sperry Rand Limitada
Lisbon, Portugal

Sperry Rand Singapore (PTE) Limited
Singapore

Sperry Rand South Africa (Proprietary) Limited
Johannesburg, South Africa

Sperry Rand Peruana, S.A.
Lima, Peru

Sperry Rand Denmark
Copenhagen, Denmark

Oy Sperry Rand AB
Helsinki, Finland

Sperry Rand (HK) Ltd.
Hong Kong

Sperry Rand Korea Ltd.
Seoul, Korea

Sperry Rand Mexicana
Mexico City, Mexico

Sperry Rand NZ Ltd.
Auckland, New Zealand

Sperry Rand NORGE A/S
Oslo, Norway

Sperry Rand Venezuela C.A.
Caracas, Venezuela

Trade Industry Sperry Rand Hellas
Athens, Greece

Sperry Rand Belgium
Brussels, Belgium
Zedelgem, Belgium

Sperry Rand do Brasil S.A.
Rio de Janeiro, Brazil

Sperry Rand Canada Limied
Mississauga, Ontario, Canada

Sperry Rand Limited
London, England

Sperry Rand France S.A.
Coubevoie, France

Sperry Rand Gmb.H.
Frankfurt/Main, Germany

Sperry Rand Italia S.p.A.
Milan, Italy.

Vickers Sperry of India Limited
(Associated Company)
Bombay, India

Sperry Rand A/B
Stockholm, Sweden

Univac Iran Company (Associated Company)
Teheran, Iran

Sperry Rand A.G.
Zurich, Switzerland

Sperry Rand International Corporation
Liberia

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

Commercial Trust Company of New Jersey
15 Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): New York, Amsterdam, Basel, Brussels, Dusseldorf, Frankfurt, Geneva, Lausanne, London, Munich, Paris, Tokyo, Vienna, Zurich.

Ticker Symbol: SY

Number of Employees:

1982	88,720	1979	87,325
1981	92,476	1978	88,275
1980	90,513		

Sales and Earnings

	Net Sales ‡ (000's)	Net Income + (000's)
1982	$ 5,571,400	$ 221,800
1981	5,427,179	311,200
1980	4,785,425	274,400
1979	4,179,319	223,600
1978	3,649,487	175,600

	No. of Com. Shares	Earn. per Share #
1982	42,950,606	$ 5.25
1981	41,279,217	7.63
1980	39,867,376	7.53
1979	35,346,189	6.34
1978	34,731,140	5.05

‡ Includes services revenues.
+ Restated to reflect change in accounting method to comply with FASB Statement No. 52, concerning Foregn currency translation.
# Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Computer systems & equip.	$ 2,831,000	$ 2,707,400
Farm equipment	1,012,600	1,086,500
Guidance & central equip.	1,250,400	1,133,500
Fluid power equip.	527,600	532,800
Other	4,000	20,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$1.92	—	—
1981	1.76	—	—
1980	1.56	—	—
1979	1.32	—	—
1978	1.12	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1982	$ 2,384,400+	$ 55.51
1981	2,323,100+	56.28
1980	2,033,746	51.01
1979	1,630,649	46.13
1978	1,434,259	41.30

+ Restated.

Income Account *
(000's)

Year ended March 31	1982	1981 †
Net sales	$ 4,195,000	$ 4,239,849
Rentals & services	1,376,400	1,187,329
Other income	47,100	64,132
Total Income	$ 5,618,500	$ 5,491,310
Cost of sales	2,687,500	2,598,944
Cost of rentals & services	745,200	666,433
Expenses	1,544,200	1,451,471
Interest expense	294,100	211,639
Foeign exch. losses (gains)	(7,300)	21,375
Income before taxes	$ 354,800	$ 537,900
Income taxes	133,000	226,700
Net Income	$ 221,800	$ 311,200

* Included in Costs and Expenses, Depreciation, Amortization and Obsolescence; $206,200,000 in 1982 and $180,564,000 in 1981.

Assets
(000's)

As of March 31	1982	1981 †
Cash	$ 66,200	$ 62,700
Accts. & notes receiv., net	1,114,600	1,177,800
*Inventories	1,331,200	1,461,700
Prepaid expenses	116,600	106,400
Curent Assets	$ 2,628,600	$ 2,808,600
Investments	357,000	281,600
Long-term receiv.	1,441,200	1,322,100
#Fixed assets	873,500	785,900
Other assets	42,700	44,300
Total Assets	$ 5,343,000	$ 5,242,500

Liabilities
(000's)

Bank & other loans	$ 527,600	$ 394,400
Long-term debt, curr	53,500	48,900
Accts. payable & accruals	916,800	940,500
Dividends payable	20,600	18,200
Income taxes	267,300	228,500
Curr. Liabilities	$ 1,785,800	$ 1,630,500
Long-term debt	716,800	798,600
Deferred inc. taxes	456,000	490,300
+Common stock	21,500	20,600
Add. paid-in capital	544,400	488,800
Retained earnings	1,954,100	1,813,700
Translation Adjust.	(135,600)	—
Total Liabilities & Shareholders' Equity	$ 5,343,000	$ 5,242,500

† Restated.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.46	12.69
%Net Income to Sales	5.29	7.34
%Net Income to Equity	9.30	13.40
Sales to Inventories	3.15	2.90
Working Capital	$ 842,800	$ 1,178,100
Current Ratio	1.47	1.72
Shareholders' Equity	$2,384,400,000	$2,323,100,000

Spex Industries, Inc.

P.O. Box 798
Metuchen, New Jersey 08840
(201) 549-7144

Officers: Arthur J. Mitteldorf, president & chief exec. officer; Harriet M. Mittledorf, v.p. & secretary; Warren V. Miller, Louis S. Casper, John F. Rendina, v.p.'s; Gerald Maurer, v.p. & treasurer; Irving L. Gartenberg, general counsel.

Directors: Arthur J. Mitteldorf, Harriet M. Mitteldorf, Gerald Maurer, Irving L. Gartenberg.

Areas of Work: Engaged in the design, manufacture and sale of electronic instruments used primarily for chemical analysis, including digital photometers, spectrometric systems, and digital scanners.

Subsidiaries:

Spex Industries, Inc.
3246 McKinley Drive
Santa Clara, California 95051
(408) 246-2333

Spex Industries, GmbH
Ilbherstrasse 53
D8000 Munchen 83
West Germany

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEX (NASDAQ)

Number of Employees:

1981 110

Plant Footage:

1981	63,000 sq. ft.	1980	35,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,633,554	$ 1,211,485
1980	7,738,980	748,432
1979	6,665,189	840,455
1978	5,870,558	749,685
1977	5,566,412	642,706

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,524,036	$ 0.80
1980	1,506,970	0.50
1979	1,504,296	0.56
1978	1,502,140	0.50
1977	1,502,140	0.43

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,119,921	$ 5.99
1980	7,902,796	5.24
1979	7,268,181	4.83
1978	6,420,202	4.27
1977	5,670,517	3.78

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 8,633,554	$ 7,738,980
Cost of sales	4,611,674	4,324,305
Expenses	1,686,687	1,543,028
Interest expense	2,910	2,910
Other charges	7,058	19,809
Other income	(379,974)	(177,652)
Income before taxes	$ 2,116,980	$ 1,590,281
Income taxes	905,495	692,828
Income-cont. oper.	$ 1,211,485	$ 897,453
Loss-discont. oper.	—	(149,021)
Net Income	$ 1,211,485	$ 748,432

* Included in Costs and Expenses, Depreciation: $184,034 in 1981 and $122,191 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 2,603,269	$ 1,934,899
Marketable securities	1,850,182	481,461
Accrued interest	43,166	35,550
Accts. receiv., net	1,496,516	1,102,582
*Inventories	2,538,511	2,377,212
Other assets	92,995	54,178
Prepaid income taxes	—	158,757
Current Assets	$ 8,624,639	$ 6,144,639
#Fixed assets	1,478,315	1,206,517
Other assets	1,090,827	1,343,646
Intangibles	—	677
Total Assets	$ 11,193,781	$ 8,695,479

Liabilities

Notes payable	$ 48,500	$ 48,500
Mort. payable, curr.	375,774	273,923
Accts. payable	26,763	24,468
Advances from customers	20,139	14,214
Notes payable, curr.	33,333	—
Income taxes	242,372	36,033
Other taxes	23,856	26,864
Other liabilities	304,622	310,084
Curr. Liabilities	$ 1,075,359	$ 734,086
Mort. payable	31,834	58,597
Notes payable, curr.	966,667	—
+ Common stock	152,404	121,621
Add. paid-in capital	975,933	970,668
Retained earnings	7,991,584	6,810,507
Total Liabilities & Shareholders' Equity	$ 11,193,781	$ 8,695,479

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	13.28	9.47
Sales to Inventories	3.40	3.26
Working Capital	$7,549,280	$5,410,553
Current Ratio	8.02	8.37
Shareholders' Equity	$9,119,921	$7,902,796

Square D Company

Executive Plaza
Palatine, Illinois 60067
(312) 397-2600

Officers: Mitchell P. Kartalia, chairman & chief executive officer; Paul A. Christenson, president & chief operating officer; R.E. King, Charles B. Yates, executive vice presidents; Donald E. Wilson, v.p.-finance, secretary & chief financial officer; Hugh Beddoes, v.p.-overseas finance; John N. Daniel, v.p. & division manager; Dexter S. Free, treasurer; Paul R. Goudy, v.p.-engineering & quality assurance; Richard A. Hegeman, v.p.-sales; Sam C. Hunt, v.p.-product development; G.R. Hunter, v.p.-international group; John F. LaShorne, controller & chief accounting officer; James F. Magin, v.p.-physical distribution; Walter G. Nollenberger, v.p. & division manager; Roger A. Sackett, v.p.-manufacturing group; R.E. Sheridan, v.p.-manufacturing, Europe; K.R. Stull, v.p.-international marketing; J.S. Vaughan, v.p.-manufacturing planning; James M. Vetta, v.p.-personnel relations; Thomas W. Wilbor, v.p.-distributor relations.

Directors: Mitchell P. Kartalia*, chairman; Paul A. Christenson*, Donald C. Clark, H. Everton Hosley, Jr., R.E. King, James F. Magin*, David B. Meeker, William C. Messinger*, Gustave H. Moede, Jr., E.F. Mulligan, James I. Poole*, John E. Struggles, J.S. Vaughan, Donald E. Wilson, Charles B. Yates.

* Member of the Executive Committee.

Areas of Work: The Company is involved in two business segments: electrical equipment and electronic products. The electrical equipment group manufactures and markets electrical products including switches, circuit breakers, panelboards, switchboards, transformers, motor starters, relays and accessories such as pushbuttons, limit, pressure and vacuum switches. The products are marketed to electrical contractors, electrical utilities and industrial plants.

The electronic products segment is engaged in the manufacture and sale of electrodeposited copper foil, semiconductor devices, programmable controllers, energy management systems.

Divisions and Subsidiaries:

Ferro Fabricating, Company, Inc.
Birmingham, Alabama 352[illegible]

Square D Canada Electric Equipment Inc.
Toronto, Ontario, Canada

Square D Limited
Esher, Surrey, England
Manufacturing plant in Swindon, England.

Square D de Mexico, S.A. de C.V.
Mexico City, Mexico

Palatine-Ridge Insurance Company Ltd.
Hamilton, Bermuda

Versamex S.A. de C.V.
Mexico City, Mexico

Square D Italia, S.p.A.
Arenzano, Italy

Square D Company Australia Pty. Ltd.
Melbourne, Australia

Square D Company Ireland Ltd.
Ballinasloe
County Galway, Ireland

Square D France S.A.
Paris, France

Square D GmbH
Darmstadt
West Germany

Starkstrom Gummersbach GmbH
West Germany

Square D Andina, S.A.
Latacunga, Ecuador

Square D Centroamericana, S.A.
San Jose, Costa Rica

Comercial y Fabril Aper, S.A.
Barcelona, Spain

Square D (Singapore) Pte. Ltd.
Singapore

Yates Industries, Inc.
U.S. Highway 130
Bordentown, New Jersey 08505
(609) 298-4800

Manufactures electrodeposited copper foil for use in printed circuit applications, thru-wall flashings and moisture proofing products, and laminated steel stampings.

General Semiconductor Industries, Inc.
2001 West Tenth Place
Tempe, Arizona 85281
(602) 968-3101

Manufactures zener diodes, switching power transistors, and transient voltage suppressors.

Square D Limited
Swindon, England

General Semiconductor Ireland Ltd.
Macroom, Ireland

Yates Industries, S.A.
Wiltz, Luxembourg

Yates Circuit Foil Co., Ltd.
Silloth, England

Square D Benelux B.V.
Woerden, The Netherlands

Gensem International, Inc.
Tempe, Arizona

Square D Domestic International Sales Corp.
Palatine, Illinois

Transfer Agent(s):

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: SQD

Number of Employees:

1981	22,700	1978	19,800
1980	22,000	1977	18,000
1979	21,200		

Plant Footage:

1981	8,479,000 sq. ft.	1978	6,459,000
1980	7,752,000	1977	5,940,000
1979	6,873,000		

Square D Company

Sales and Earnings ‡

	Net Sales	Net Income
1981	$1,144,247,000	$ 102,827,000
1980	1,013,847,000	84,716,000
1979	837,528,000	73,817,000
1978	735,415,000	67,624,000
1977	617,298,000	59,636,000

	No. of Com. Shares	Earn. per Share
1981	26,954,000	$ 3.82
1980	26,933,000	3.29
1979	25,291,000	2.92
1978	25,235,000	2.68
1977	25,232,000	2.36

‡ Restated to include operations of companies acquired on a pooling of interests basis.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.735	—	—
1980	1.625	—	—
1979	1.525	—	—
1978	1.425	—	—
1977	1.25	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 471,641,000	$ 17.50
1980	415,197,000	15.42
1979	330,364,000	13.06
1978	292,098,000	11.58
1977	258,324,000	10.24

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,144,247	$ 1,013,847
Cost of sales	759,540	678,764
Expenses	183,392	169,806
Other income	(13,384)	(8,434)
Interest expenses	18,310	15,835
Income before taxes	$ 196,389	$ 157,876
Income taxes	93,562	73,160
Net Income	$ 102,827	$ 84,716

* Included in Costs and Expenses, Depreciation; $30,192,000 in 1981 and $21,099,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash & cash equiv.	$ 35,234	$ 44,260
Accts. receiv., net	166,557	164,736
Deferred inc. taxes	8,498	10,519
*Inventories	198,212	163,480
Prepaid expenses	5,078	4,465
Current Assets	$ 413,579	$ 387,460
Investment	8,589	7,639
#Fixed assets	337,574	302,937
Other assets	12,210	13,647
Intangibles	39,717	40,906
Total Assets	$ 811,669	$ 752,589

Liabilities

Notes payable	$ 18,238	$ 18,820
Long-term debt, curr.	10,2[illegible]	10,245
Accts. payable & accruals	133,671	120,667
Dividends payable	12,399	10,851
Income taxes	22,937	24,283
Curr. Liabilities	$ 197,514	$ 184,866
Long-term debt	100,542	121,447
Minority interest	5,266	4,250
Deferred inc. taxes	36,706	26,829
+ Common stock	44,924	44,889
Add. paid-in capital	51,497	51,083
Retained earnings	375,220	319,225
Total Liabilities & Shareholders' Equity	$ 811,669	$ 752,589

‡ Restated.
* At lower of cost (LIFO in U.S., FIFO for foreign) or market.
# Less accumulated depreciation.
+ $1.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	17.16	15.57
%Net Income to Sales	8.99	8.36
%Net Income to Equity	21.80	20.40
Sales to Inventories	5.77	6.20
Working Capital	$216,065,000	$202,594,000
Current Ratio	2.09	2.10
Shareholders' Equity	$471,641,000	$415,197,000

Squibb Corporation

40 West 57th Street
New York, New York 10019
(212) 621-7000

Officers: Richard M. Furlaud, chairman of the board & chief executive officer; Dennis C. Fill, president and chief operating officer; George P. Maginness, exec. v.p. & chief financial officer; Ross Reid, sr. v.p.; Martin H. Schmidt, group v.p.; Ross W. Anderson, Michael Bongiovanni, Charles A. Sanders, vice presidens; Daniel A. Cuoco, v.p. & general counsel; Joseph J. Eley, v.p.-government affairs; Allan E. Garb, v.p.-financial planning & systems; Robert E. Humes, v.p.-human resources; Richard S. Kahn, v.p. & general tax counsel; William R. Luney, v.p. & secretary; Leo S. Martinuzzi, Jr., v.p.-strategic planning; J. Elliston Murray, v.p. & controller; Antony W. Ruggiero, v.p.-finance; Joseph T. Stewart, Jr., v.p.-financial affairs; Edward F. Wiedenski, v.p. & treasurer; Grent F. Wolfkill, v.p.-public affairs; Emmanuel J. Cassimatis, asst. treasurer; John T. McNamara, asst. secretary; Phillip S. Seydel, Joseph G. Solari, Jr., asst. controllers.

Directors: Richard M. Furland, chairman; John J. McCloy, Alger B. Chapman, Robert H. Ebert, Dennis C. Fill, Ross W. Anderson, John W. Hanes, Michael Bongiovanni, Charles A. Sanders, Myles L. Mace, George P. Maginness, Walter F. O'Connell, Helen M. Ranney, Ross Reid, Richard Salomon, Martin H. Schmidt, Lewis Thomas, Eugene F. Williams, Jr.

Areas of Work: Manufactures and distributes electronic instruments for medical applications including patient monitoring systems and ultra sound scanners. Other areas of work include: fragrances and cosmetics, confectionary goods, surgical instruments, drugs, and vitamins.

Divisions and Subsidiaries:

E.R. Squibb & Sons, Inc.
P.O. Box 4000
Princeton, New Jersey 08540
(609) 921-4000

The Squibb Institute for Medical Research
Argon Medical Corporation
ConvaTec
Edward Weck & Company, Inc.
Surgicot

Squibb Medical Systems Group
13208 Northup Way
Bellevue, Washington 98005
(206) 881-2233

Advanced Technology Laboratories, Inc.
Squibb Medical Systems International
Squibb Vitatek, Inc.
Spacelabs, Inc.
Vita-Stat Medical Services, Inc.

Charles of the Ritz Group Ltd.
40 West 57th Street
New York, New York 10019
(212) 621-7300

Andrea Raab Corporation
Duveen Soap Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York 10015

State Street Bank & Trust Company
Boston, Massachusetts

Centerre Union Trust Company of St. Louis
St. Louis, Missouri

Stock Exchange(s): New York, London, Basel, Geneva, Zurich, Munich, Frankfurt

Ticker Symbol: SQB

Number of Employees:

1981	23,000	1979	40,000
1980	27,000*		

* After sale of food service subsidiary.

Sales and Earnings

	Net Sales † (000's)	Net Income ‡‡ (000's)
1981	$ 1,523,911	$ 104,815
1980	1,334,184	127,426
1979	1,110,123	123,722
1978	907,309	117,255
1977	815,444	112,508

	No. of Com. Shares	Earn. per Share ‡ ‡‡
1981	49,983,000	$ 2.10
1980	48,527,000	2.65
1979	45,617,000	2.71
1978	44,642,000	2.60
1977	44,641,000	2.50

† Of continuing operations only.
‡ Based on the average number of common shares and common share equivalents outstanding.
‡‡ Including extraordinary loss of $6,532,000 ($0.13 per share) in 1981.

Revenues By Line of Business
(000's)

	1981	1960
Health-care prods.	$ 1,198,513	$ 1,04,408
Personal-care prods.	325,398	286,776
Total	$ 1,523,911	$ 1,334,184

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.215	—	—
1980	1.155	—	—
1979	1.095	—	—
1978	1.035	—	—
1977	0.975	—	—

Common Stock Equity †

	Total Equity (000's)	Equity Per Share
1981	$ 1,029,625	$ 20.60
1980	1,002,470	20.66
1979	918,013	20.12
1978	836,115	18.73
1977	765,016	17.14

† Restated to reflect charge in accounting method to comply with FASB Statement No. 43 concerning compensated absences.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 1,523,911	$ 1,334,184
Other income	23,651	6,575
Total Income	$ 1,547,562	$ 1,340,759
Cost of sales	676,444	584,892
Expenses	696,563	590,085
Foreign exch.	23,209	10,125
Interest income	(31,980)	(34,783)
Interest expense	43,453	49,380
Admin. expenses	15,174	12,367
Costs of restructure	62,859	—
Income before taxes	$ 61,840	$ 128,293
Income taxes	20,742	24,920
Income from cont. oper.	$ 41,098	$ 103,373
Income from discont. oper.	70,249	24,053
Net Income	$ 111,347	$ 127,426
Extraordinary loss	(6,532)	—
Net Income & extraord. loss	$ 104,815	$ 127,426

* Included in Costs and Expenses, Depreciation and Amortization: $28,175,000 in 1981 and $24,003,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 41,728	$ 9,700
Time deposits	116,570	28,525
Marketable invest.	169	447
Receivables, net	394,018	344,561
Notes receiv.	25,429	75,225
*Inventories	390,917	388,968
Prepaid expenses	23,081	22,053
Deferred inc. taxes	67,574	31,473
Current Assets	$ 1,059,486	$ 900,952
Assets of businesses sold	—	155,303
Investments & long-term receiv.	344,295	216,729
#Fixed assets	479,720	479,591
Other assets	66,859	64,476
Total Assets	$ 1,950,360	$ 1,817,051

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 3,364	$ 3,573
Notes payable	39,770	72,903
Accts. payable & accruals	299,025	217,464
Income taxes	119,435	62,280
Curr. Liabilities	$ 461,597	$ 356,220
Long-term debt	398,771	392,419
Deferred inc. taxes	19,416	22,216
Other liab.	40,951	43,726
+ Common stock	49,994	48,552
Add. paid-in capital	158,129	144,340
Retained earnings	857,259	809,702
Foreign curr. adj.	(35,717)	—
Treasury stock	(40)	(124)
Total Liabilities & Shareholders' Equity	$ 1,950,360	$ 1,817,051

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	10.18	12.71
Sales to Inventories	3.90	3.43
Working Capital	$ 597,889	$ 544,732
Current Ratio	2.30	2.53
Shareholders' Equity	$1,029,625	$1,002,470

Standard Logic, Inc.

2215 South Standard Avenue
Santa Ana, California 92707
(714) 979-4770

Officers: Ernest W. Baumgardner, president & chairman of the board; John C. Capraro, v.p.-new product development & international sales; Joseph A. Vivirito, acting v.p.-finance, treasurer & secretary; Donald L. Schnitter, v.p.-marketing; Ray Hancock, v.p.-manufacturing; Anthony L. Robertson, v.p.-engineering.

Directors: Ernest W. Baumgardner, chairman; Marlan M. Merhab, Bruce G. Rossiter, J. Roger Faherty, Nick E. Yocca.

Areas of Work: Main product lines include "C-A-S-H" (Computer Automated Systems Hardware). "D-A-R-T" (Dynamic Automated Restaurant Terminal), a point-of-sale system, numerically controlled wire-wrapping machines. Services include wire-wrapping of electronic components, software for wire-wrapping applications, and documentations of finalized electronic assemblies.

Transfer Agent(s):
Bank of America
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STDL (NASDAQ)

Number of Employees:

1981	138	1978	115
1980	135	1977	100
1979	115		

Plant Footage:

1981	30,000 sq. ft.	1978	25,000
1980	30,000	1977	25,000
1979	30,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 4,335,855	$ (1,887,215)
1980	4,670,741	(32,324)
1979	4,144,882	(87,608)
1978	3,322,459	57,708
1977	2,614,039	133,822

	No. of Com. Shares †	Earn. per Share +
1981	3,300,356	$ —
1980	2,976,145	—
1979	1,639,100	—
1978	1,550,800	0.03
1977	1,522,400	0.07

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock split.
† Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 2,283,465	$ 0.69
1980	3,278,783	1.10
1979	540,463	0.33
1978	590,296	0.38
1977	514,808	0.34

‡ Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 4,335,855	$ 4,670,741
Cost of sales	3,143,272	2,926,250
Expenses	3,079,198	1,792,815
Loss before taxes	$ (1,886,615)	$ (48,324)
Income tax (credits)	600	(16,000)
Net Loss	$ (1,887,215)	$ (32,324)

* Included in Costs and Expenses, Depreciation and Amortization: $120,626 in 1981 and $106,937 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 67,271	$ 86,959
Short-term investments	—	1,993,896
Accts. receiv., net	823,799	798,138
*Inventories	2,245,620	826,138
Prepaid expenses	67,452	23,006
Current Assets	$ 3,204,142	$ 3,728,137
#Fixed assets	643,759	455,718
Other assets	226,325	1,467
Total Assets	$ 4,074,226	$ 4,185,322

Liabilities

	1981	1980
Long-term debt, curr.	$ 47,411	$ 22,700
Accts. payable	649,820	215,965
Accruals	201,327	127,320
Customer advances	31,020	60,764
Income taxes	—	15,797
Other liabilities	33,514	—
Curr. Liabilities	$ 963,092	$ 442,546
Long-term debt	827,669	463,993
+ Common stock	82,508	74,404
Add. paid-in capital	3,607,911	2,463,318
Warrants	312,700	573,500
Retained earnings	(1,719,654)	167,561
Total Liabilities & Shareholders' Equity	$ 4,074,226	$ 4,185,322

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.025 par value.

Statistical Summary

	1981	1980
Sales to Inventories	1.93	5.65
Working Capital	$2,241,050	$3,285,591
Current Ratio	3.33	8.42
Shareholders' Equity	$2,283,465	$3,278,783

Standard Microsystems Corporation

35 Marcus Boulevard
Hauppauge, New York 11787
(516) 273-3100

Officers: Herman Fialkov, chairman of the board; Paul Richman, president; Gerald E. Gollub, executive vice president; Al Marvet, controller; Harold I. Kahen, secretary; Walter J. Kmeta, Arthur Sidorsky, senior v.p.'s; H. Peter Zimbelmann, Jay D. Popper, Jean-Pierre Chalmin, v.p.'s; Victor F. Trizzino v.p. and treasurer.

Directors: Herman Fialkov, chairman; Richard L. Geiger, Paul Richman, Peter F. Dicks, Gerald E. Gollub, Raymond Frankel, John Gatti.

Areas of Work: Engaged in the design, development, manufacture and marketing of metal-oxide-semiconductor (MOS) large scale integrated (LSI) circuits, including memory circuits, logic circuits and data communications circuits.

Standard Microsystems Corporation

Subsidiary:

SMC Microsystems Corporation
35 Marcus Boulevard
Hauppage, New York 11787
(516) 231-8898

Transfer Agent(s):

Bradford Trust Company
67 Broad Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SMSC (NASDAQ)

Number of Employees:

1980	325	1978	150
1979	250		

Plant Footage:

1980	108,800 sq. ft.	1978	15,000
1979	28,800		

Sales and Earnings

	Net Sales	Net Income ‡
1982	$ 19,343,224	$ 1,146,697
1981	18,637,953	2,441,415
1980	14,903,450	2,310,870
1979	11,374,182	3,318,599
1978	7,552,331	1,740,615

	No. of Com. Shares	Earn. per Share ‡
1982	5,094,029	$ 0.21
1981	5,013,077	0.51
1980	3,786,323	0.50
1979	3,701,253	0.73
1978	3,448,068	0.40

‡ Including extraordinary gains of $1,139,200 ($0.25 per share) in 1979, $830,000 ($0.19 per share) in 1978.

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 22,544,510	$ 4.43
1981	21,182,200	4.23
1980	9,406,268	2.48
1979	6.803,825	1.84
1978	3,232,035	0.94

Income Account *

Year ended Feb. 28	1982	1981
Net sales & revenues	$ 19,343,224	$ 18,637,953
Cost of sales	10,129,661	8,630,189
Depreciation & amortization	1,338,944	809,409
Expenses	7,094,542	6,019,472
Interest expense	370,505	166,511
Interest income	(1,354,308)	(746,228)
Income before taxes	$ 1,763,880	$ 3,758,600
Income taxes	617,183	1,317,185
Net Income	$ 1,146,697	$ 2,441,415

* Included in Costs and Expenses, Depreciation and Amortization: $1,338,944 in 1982 and $809,409 in 1981.

Assets

As of Feb. 18	1982	1981
Cash & cert. of deposit	$ 7,742,045	$ 10,686,857
Accts. receiv.	3,648,315	3,585,511
Tax refund	100,421	379,097
* Inventories	5,538,999	4,432,996
Prepaid expenses & other assets	105,241	130,594
Current Assets	$ 17,135,021	$ 19,215,055
# Fixed assets	11,881,543	8,957,290
Other assets	124,835	141,925
Total Assets	$ 29,141,399	$ 28,314,270

Liabilities

Long-term debt, curr.	$ 102,637	$ 91,894
Accts. payable & accruals	2,666,977	3,545,110
Curr. Liabilities	$ 2,769,614	$ 3,637,004
Long-term debt	3,107,467	3,213,159
Deferred inc. taxes	719,808	281,907
+ Common stock	509,403	501,307
Add. paid-in capital	15,204,721	14,997,204
Retained earnings	6,830,386	5,683,689
Total Liabilities & Shareholders' Equity	$ 29,141,399	$ 28,314,270

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.12	20.17
% Net Income to Sales	5.93	13.10
% Net Income to Equity	5.09	11.53
Working Capital	$14,365,407	$15,578,051
Current Ratio	6.19	5.28
Shareholders' Equity	$22,544,510	$21,182,200

Standex International Corporation

Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701

Officers: John Bolten, Sr., honorary chairman of the board & chairman of exec. committee; Daniel E.Hogan, chairman of the board & chief exec. officer; Warren S. Cooper, president & chief operating officer; Thomas L. King, sr.v.p. & treasurer; Sol Sackel, sr. v.p.; Samuel S. Dennis III, v.p.; Robert E. Masotta, v.p., secretary & corp. counsel; John M. Wall, v.p.-industrial relations; John J. Bentley, controller; Thomas H. DeWitt, Norman B. Asher, Charles F. Hartsock, asst. secretaries.

Directors: John Bolten*, Sr., Daniel E. Hogan*, Edward C. Bloomberg, John Bolten, Jr., William Brewster, William L. Brown*, Warren S. Cooper*, Samuel S. Dennis III*, James N. Johnson, Thomas L. King*, John Hill, C. Kevin Landry.

* Member of the Executive Committee.

Areas of Work: The Electronics Group manufactures electronic components, inductors, capacitors, connectors, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems. Woodside Fireplaces and ducting for heating, air-conditioning, and ventilation systems and custom forgings, power metal spinning of components for aerospace, energy systems, and industrial applications. The Consumer Products Group produces Club aluminum cookware, and giftwares; solid and plated brass beds, headboards and accessories through its Dresher Manufacturing operation; manufactures and sells pine furniture and furnishings through its Yield House mail order operation and manages a chain of Yield House mail order operation and manages a chain of Yield House retail stores; sells grapefruit and other gift packages and fund raising supplies through other mail order operations. The Institutional Prducts Group manufactures patient feeding systems, institutional furniture, hand-blown glassware, barbecuing and baking equipment, candle-lamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, carbonator pumps, casters and wheels, and food racks, cabinets and carts. The Graphics Group publishes religious literature and election supplies; manufactures religious literature and election supplies; manufactures commercial printing products and educational materials and specialized binding systems.

Electronics Division & Subsidiaries:

Standex Electronics
4538 Camberwell Road
Cincinnati, Ohio 45209
(513) 871-3777

Manufacture of components and assemblies for the color television, automotive and communications industries.

Paul Smith Company
4538 Camberwell Road
Cincinnati, Ohio 45209
(513) 871-3777

Manufacturer of fixed and variable precision inductors for the color TV and communications industries; also of custom designed, high voltage transformers for solid state furnace ignition systems.

S.I. de Mexico, S.A. de C.V.
323 G Avenue
Douglas, Arizona 85607
(602) 364-7964

Manufacturer of electronic components and component assemblies for Paul Smith and Underwood.

Underwood Electronic Co.
4538 Camberwell Road
Cincinnati, Ohio 45209
(513) 871-3777

Manufacturer of fixed precision mica capacitors and variable mica capacitors for the automotive and communications industries.

Van Products
1329 Arlington Avenue
Cincinnati, Ohio 45225
(513) 681-7600

Manufacturer of hermetic electrical connectors for the refrigeration and air conditioning industries.

Standex Electronics (UK) Limited
Morley Road
Tonbridge, Kent, England
Tonbridge, 0732, 358023 England

Manufacturer of the full range of standard reed switches; also vacuum and high pressure reed switches and DIP reed relays for the telecommunications and electronics industries.

Standex Electronics (Haiti) S.A.
Avenue Haile Selassie
Rt. Simmonds
Port au Prince, Haiti

Manufacturer of fixed precision mica capacitors and variable mica capacitors for the automotive and communications industries.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 664
Boston, Massachusetts 02102

Stock Exchange(s): New York, Boston

Ticker Symbol: SXI

Number of Employees:

1980	6,100	1978	5,600
1979	6,241		

Plant Footage:

1980	4,900,000 sq. ft.	1978	4,353,000
1979	4,900,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 369,874,000	$ 15,208,000
1980	347,480,000	19,442,000
1979	297,826,000	16,335,000
1978	241,576,000	10,366,000
1977	208,336,000	8,145,000

	No. of Com. Share #	Earn. per Share #
1981	6,713,000	$ 2.27
1980	6,575,000	2.96
1979	6,338,000	2.58
1978	5,992,000	1.73
1977	5,776,000	1.41

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1981	1980
Graphics	$ 93,351	$ 74,631
Consumer	89,017	81,526

Institutional	77,842	76,614
Electronics	17,593	17,141
Industrial	91,572	96,931
General corporate & other	499	637
Total	$ 369,874	$ 347,480

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.89	—	—
1980	0.81	—	—
1979	0.63	—	2-for-1
1978	0.50	—	—
1977	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 127,854,000	$ 19.05
1980	117,808,000	17.70
1979	101,584,000	15.74
1978	84,451,000	14.21
1977	74,793,000	13.29

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 369,873,915	$ 347,479,896
Other income	2,058,384	3,129,331
Total income	$ 371,932,299	$ 350,609,227
Cost of sales	234,840,277	219,455,156
Expenses	94,278,191	83,095,641
Depreciation & amortization	8,838,624	8,304,047
Interest expense	8,646,909	6,512,634
Income before taxes	$ 25,328,298	$ 33,241,749
Income taxes	10,120,000	13,800,000
Net Income	$ 15,208,298	$ 19,441,749

Assets

As of June 30	1981	1980
Cash	$ 8,967,230	$ 8,309,844
Receiv., net	46,968,736	48,484,780
*Inventories	84,145,387	82,773,127
Prepaid expenses	3,585,932	2,997,865
Current Assets	$ 143,667,285	$ 142,565,616
Investments	3,315,704	3,700,605
#Fixed assets	73,968,259	67,368,171
Receivables	6,008,604	5,942,966
Intangibles	15,887,089	15,995,892
Total Assets	$ 242,846,941	$ 235,573,250

Liabilities

Notes payable & long-term debt, curr.	$ 7,358,786	$ 7,931,462
Accts. payable	20,297,920	20,103,404
Accruals	6,272,074	5,253,203
Accrued payroll	11,446,187	11,027,108
Income taxes	2,713,921	3,729,120
Curr. Liabilities	$ 48,088,888	$ 48,044,297
Long-term debt	63,063,723	65,376,890
Deferred inc. taxes	3,840,145	4,343,927
+Common stock	20,266,440	19,964,268
Add. paid-in capital	4,263,046	3,427,318
Retained earnings	103,675,864	94,416,550
Treasury Stock (loss)	(351,165)	—
Total Liabilities & Shareholders' Equity	$ 242,846,941	$ 235,573,250

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.85	9.57
%Net Income to Sales	4.11	5.60
%Net Income to Equity	11.90	16.50
Sales to Inventories	4.40	4.20
Working Capital	$ 95,578,397	$ 94,521,319
Current Ratio	2.99	2.97
Shareholders' Equity	$127,854,185	$117,808,136

The L. S. Starrett Company

Athol, Massachusetts 01331
(617) 249-3551

Officers: Douglas R. Starrett, president; George B. Webber, John H. Grant, Charles H. Morrow, vice presidents; G.A. Thomson, treasurer & secretary; Roger Moore, clerk.

Directors: John N. Engelsted, John H. Grant, Walter W. Haskins, Carl O. Newton, Douglas R. Starrett, Robert W. Stoddard, Robert M. Tyler, Lloyd B. Waring, George B. Webber.

Areas of Work: Manufactures and sells electronic gages, dial indicators, precision measuring tools, steel tapes, gage blocks, optical measuring tools, granite surface plates, vises, hacksaws, hole saws, band saws and precision ground flat stock.

Subsidiaries:

The L. S. Starrett Co. of Canada Limited
Industria e Comercio L. S. Starrett S.A. (Brazil)
The L. S. Starrett Company Limited (Scotland)
The L. S. Starrett International Company (DISC)
L. S. Starrett (South Africa) (Proprietary) Limited

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

First National Boston Clearance Corporation
61 Broadway
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: SCX

Number of Employees:

1981	2,533	1978	2,201
1980	2,573	1977	2,123
1979	2,442		

Sales and Earnings

	Net Sales	Net Income
1981	$ 122,451,341	$ 13,790,818
1980	110,296,878	12,102,516
1979	92,938,145	10,835,673
1978	76,833,003	7,872,975
1977	66,640,333	5,718,596

	No. of Com. Shares	Earn. per Share ‡
1981	3,832,191	$ 3.52
1980	1,922,086	3.13
1979	1,905,737	2.83
1978	1,894,340	2.02
1977	1,944,712	1.45

‡ Based on average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$1.00	—	2-for-1
1980	0.89	—	—
1979	0.71	—	—
1978	0.65	—	—
1977	0.59	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 72,166,945	$ 18.83
1980	63,678,698	33.13
1979	54,929,380	28.82
1978	46,770,012	24.69
1977	42,981,873	22.10

Income Account *

Year ended June 30	1981	1980
Net sales	$ 122,451,341	$ 110,296,878
Cost of sales	73,628,596	65,632,896
Expenses	22,063,297	20,314,314
Interest expense	776,630	2,160,552
Income before taxes	$ 25,982,818	$ 22,189,116
Income taxes	12,192,000	10,086,600
Net Income	$ 13,790,818	$ 12,102,516

* Included in Costs and Expenses, Depreciation: $2,204,692 in 1981 and $1,865,445 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 1,407,374	$ 1,370,201
Short-term investments	13,128,871	12,142,077
Accts. receiv., net	19,920,138	18,558,937
*Inventories	36,990,391	34,447,732
Import deposits	—	134,122
Prepaid expenses	1,312,065	1,943,813
Current Assets	$ 72,758,839	$ 68,596,882
#Fixed assets	21,766,152	20,231,754
Defer. charges	341,396	220,509
Total Assets	$ 94,866,387	$ 89,049,145

Liabilities

Accts. payable & accruals	$ 10,299,221	$ 11,626,345
Employee deposits	1,068,307	955,327
Income taxes	6,353,844	6,634,425
Foreign bank loan	—	1,454,999
Curr. Liabilities	$ 17,721,372	$ 20,671,096
Deferred inc. taxes	4,978,070	4,699,351
+Common stock	4,790,238	2,402,608
Add. paid-in capital	5,667,127	7,581,713
Retained earnings	61,709,580	53,694,377
Total Liabilities & Shareholders' Equity	$ 94,866,387	$ 89,049,145

* At lower of cost or market. (all domestic inventories at LIFO; all others at FIFO).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	21.22	20.12
%Net Income to Sales	11.26	10.97
%Net Income to Equity	19.11	19.01
Sales to Inventories	3.31	3.20
Working Capital	$55,037,467	$47,925,786
Current Ratio	4.11	3.32
Shareholders' Equity	$72,166,945	$63,678,698

Sterling Electronics Corporation

4201 Southwest Freeway
Houston, Texas 77027
(713) 623-6600

Officers: Michael S. Spolane, chairman of the board & chief exec. officer; Leopold S. Baer, president & chief operating officer; Richard Boehout, v.p.-data processing; Thomas McGinty, v.p.-materials management; Leon Webb, v.p. & treasurer; Byron Turner, Charles Arnais, v.p.'s-Area Industrial Marketing Group.

Sterling Electronics Corporation

Directors: Michael S. Spolane, chairman; Leopold S. Baer, M. Michael Gordon, Herschel G. Maltz, Sheldon Lambert, A.J. Dreiseszun, David Toomim.

Areas of Work: Distributes, through its subsidiaries, electronic component and replacement parts, testing equipment and sound reproduction materials to industrial markets. Manufactures panel meters, avionic mechanisms and edge lighted panels.

Divisions and Subsidiaries:

Industrial Distribution Group
4201 Southwest Freeway
Houston, Texas 77027
(713) 623-6600

Component and Systems Technology Group

Airmark Plastics Corporation
Corsa Drive
Westlake Village, California 91361
(213) 889-1470

Phaostron Instrument and Electronics Co.
151 Pasadena Avenue
South Pasadena, California 91030
(214) 255-1417

Phaostron East
70 Dale Street
West Babylon, New York 11704
(516) 293-6622

Commercial Sound
Houston, Texas

Other Subsidiaries:

Corrosion International, Inc.
E & M Laboratories, Inc.
Geo-Explo, Inc.
Kann Ellert Electronics, Inc. (89.3% owned)
Meridian Electronics, Inc. (95.5% owned)
Moulton Electronic Distributors, Inc.
Sterling Electronics and Instruments Company, Inc.

Transfer Agent(s):

Texas Commerce Bank
c/o Stock Transfer Department
P.O. Box 2558
Houston, Texas 77001

Stock Exchange(s): American

Ticker Symbol: SEC

Number of Employees:

1981	495	1978	1,087
1980	594	1977	964
1979	978		

Plant Footage:

1981 . . . . . . 84,500 sq. ft.

Sales and Earnings †

	Net Sales +	Net Income # +
1981	$ 45,719,163	$ 223,361
1980	56,613,024	718,072
1979	51,540,000	(221,212)
1978	45,285,000	(161,421)
1977	41,223,000	62,861

	No. of Com. Shares ‡	Earn. per Share # ‡
1981	3,631,348	$ 0.06
1980	3,631,361	0.19
1979	3,631,361	—
1978	3,631,361	—
1977	3,631,361	0.01

(Loss)
† Restated to reflect change in accounting method to comply with FASB Statement No. 13 concerning the capitalization of leases.
+ Of continuing operations only.
# Including extraordinary gains of $86,438 ($0.02 per share) in 1981, $614,283 ($0.17 per share) in 1980 and $324,000 ($0.09 per share) in 1977.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity †

	Total Equity ‡	Equity Per Share +
1981	$ 5,045,602	$ 1.39
1980	4,739,373	1.31
1979	3,426,731	0.94
1978	5,807,957	1.60
1977	6,063,930	1.67

† Restated.
‡ After allowing for preferred stock at aggregate liquidation preference.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	3/28/81	3/29/80 ‡
Net sales & services	$ 45,719,163	$ 56,613,024
Other income	518,675	334,136
Total Income	$ 46,237,838	$ 56,947,160
Cost of sales & services	34,352,610	43,812,096
Expenses	10,736,880	11,066,598
Interest expense	848,510	1,004,491
Non-recurring item	99,928	(297,352)
Income before taxes	$ 199,910	$ 1,361,327
Income taxes (credit)	(140,073)	640,213
Minority Interest	14,979	3,042
Net Income	$ 223,361	$ 718,072
Extraord. gain	86,438	614,283
Net Income	$ 309,799	$ 1,332,355

‡ Restated.
* Included in Costs and Expenses, Depreciation: $357,901 in 1981 and $505,167 in 1980.

Assets

As of	3/28/81	3/28/80 ‡
Cash	$ 945,938	$ 459,427
Accts. receiv., net	5,453,183	7,855,206
*Inventories	7,885,379	8,481,595
Prepaid expenses	76,213	128,914
Current Assets	$ 14,360,713	$ 16,925,142
#Fixed assets	1,968,108	2,455,601
Other assets	245,549	637,442
Total Assets	$ 16,574,370	$ 20,018,185

Liabilities

Long-term debt, curr.	$ 166,215	$ 883,725
Cap. lease oblig., curr.	120,342	224,393
Accts. payable	2,765,588	4,407,761
Accruals	1,079,187	1,286,423
Curr. Liabilities	$ 4,131,332	$ 6,802,302
Revolv. credit line	4,001,033	4,868,731
Long-term debt, curr.	579,056	365,300
Cap. lease oblig.	1,530,956	1,828,029
Minority interest	416,500	409,716
Deferred taxes, comp. & other	278,091	412,934
+ Preferred stock	73,975	73,975
+ + Common Stock	2,049,361	2,049,361
Add. paid-in capital	8,762,428	8,743,761
Retained earnings (deficit)	(4,304,174)	(4,591,781)
Treasury stock	(944,188)	(944,143)
Total Liabilities & Shareholders' Equity	$ 16,574,370	$ 20,018,185

‡ Restated.
* At lower of cost (FIFO) or estimated market.
# Less accumulated depreciation and amortization.
+ $2.50 par value; cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.44	2.40
%Net Income to Sales	0.49	1.27
%Net Income to Equity	3.96	13.47
Working Capital	$10,229,381	$10,122,840
Current Ratio	3.48	2.49
Shareholders' Equity	$ 5,637,402	$ 5,331,173

Stewart-Warner Corporation

1826 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000

Officers: Bennett Archambault, chairman of the board & president; Edgar L. Conn, v.p. & general manager-South Wind Division; Irvin R.Danielson, sr. v.p.; Robin M. Demouth, secretary & chief legal officer; Philip A. Johnson, v.p. & director-industrial relations; Wesley J. Kiley, v.p.; Milo B. Lipscomb, gen. mgr.-Bassick-Sack Division; Harold B. MacMahon, v.p. & gen. mgr.-Hobbs Division; Albert C. Madge, chief operating executive-Stewart-Warner Corporation of Canada Limited; Thomas J. McCook, v.p. & general mgr.-Alemie & Instrument Divisions; Jack C. Morrison, controller & treasurer; Donald A. Potter, v.p. & gen. mgr.-Stewart-Warner Electronics Division; Robert H. Reid, gen. mgr.-Bassick Division; Curtis W. Van Allen, gen. mgr.-Stewart-Warner International Division.

Directors: Bennett Archambault, chairman; Irvin R. Danielson, Haldon A. Leedy, James S. Kemper, Jr., William F. Murray, Thomas L. Martin, Jr., Jack C. Morrison, Daniel J. Terra.

Divisions:

Alemite Division
1826 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000

Products include industrial lubricating equipment, fluid materials handling equipment, automotive service equipment, and hydraulic couplings and hose.

Stewart-Warner Instrument Division
1854 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000

4535 Fullerton Avenue
Chicago, Illinois 60639

Products include speedometers, tachometers and gauges, flexible drive shafts, electric fuel pumps and industrial balancing equipment.

Stewart-Warner Electronics Division
1300 North Kostner Avenue
Chicago, Illinois 60651
(312) 292-3000

Products include photoelectric and numerical controls for machines, facsimile communications systems; information display systems, military electronics systems; machine tool controls.

South Wind Division
1514 Drover Street
Indianapolis, Indiana 46221
(317) 632-8411

Parc Industriel
Route de Wallonie
7410 Ghlin-lez-Mons, Belgium

Products include heat transfer equipment, combustion heating devices, pneumatic and hydraulic equipment.

Bassick Division
960 Atlantic Street
Bridgeport, Connecticut 06602
(203) 366-3671

600 North Strong Avenue
Spring Valley, Illinois 61362
(815) 664-2311

Products include casters, furniture glides, swivel chair mechanisms and clamps and fasteners.

Bassick-Sack Division
2941 Indiana Avenue
Winston-Salem, North Carolina 27105
(919) 725-1331

Manufacturer of furniture and cabinet hardware and decorative trim, for the home and office furniture industries.

Hobbs Division
Yale Boulevard and Ash Street
Springfield, Illinois 62705
(217) 753-7600

State Route 6
Spring Valley, Illinois 61362
(815) 663-2011

Products include hour meters, pressure and vacuum switches, electromechanical devices, and lighting products for automotive, farm, and construction equipment.

Stewart-Warner International Division
1830 Diversey Parkway
Chicago, Illinois 60614

Responsible for the manufacture and sales activities of the foreign subsidiary companies and two joint ventures.

Subsidiaries:

Thor Power Tool Company
175 North State Street
Aurora, Illinois 60507
(312) 898-8000
Roweland Drive
Johnson City, Tennessee 37601

Air and hydraulically powered tools.

Stewart-Warner Datafax Corporation
1320 North Kostner Avenue
Chicago, Illinois 60651
(312) 292-3000

Stewart-Warner Corporation of Canada, Limited
349 MacDonald Avenue
Belleville, Ontario, Canada
(613) 968-6761

Stewart-Warner France, S.A.
60 Rue des Orteaux
75020 Paris, France

Stewart-Warner, Alemite G.m.b.H.
Stockshausstrasse 9,
401 Hilden, Germany

Industrial Alemex, S.A.*
Tapia 836 Oriente
Monterrey, N.L., Mexico

Thor Power Tool GmbH
Mathias-Bruggen Str. 4A
5 Cologne, (Bickendorf) Germany

Stewart-Warner Limited
Tynemouth, Tyne and Wear, England

Herramientas Thor de Mexico, S.A. de C.V.
Apartado Postal 701
Mexico 1, D.F. Mexico

Thor-Fiap S.p.A.
Torino, Italy

Wadco Tools Ltd.*
New Delhi 1, India

* Joint Ventures

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: STX

Number of Employees:

1981	7,100	1978	9,303
1980	7,600	1977	9,103
1979	9,000		

Plant Footage:

1981	4,239,000 sq. ft.	1978	4,194,000
1980	4,104,000	1977	4,416,000
1979	4,102,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 328,821,000	$ 15,374,000
1980	336,167,000	18,588,000
1979	365,971,000	21,744,000
1978	333,647,000	21,320,000
1977	292,290,000	19,425,000

	No. of Com. Shares +	Earn. per Share +
1981	6,467,000	$ 2.38
1980	6,490,000	2.86
1979	6,486,000	3.35
1978	6,511,000	3.27
1977	6,489,000	2.99

+ Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Electronic & electro-mechanical systems & products	$ 140,400	$ 142,000
Fabricated metal prods. & hardware	50,300	50,000
Vehicular service equipment & materials	68,600	72,100
Specialty prods. & others	69,500	72,100
Total	$ 328,800	$ 336,200

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.55	—	5-for-4
1980	1.50	—	—
1979	1.46	—	5-for-4
1978	1.34	—	—
1977	1.28	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 178,212,000	$ 27.68
1980	175,004,000	26.98
1979	166,196,000	25.62
1978	154,180,000	23.73
1977	141,510,000	21.79

† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 328,821,000	$ 336,167,000
Cost of sales	251,193,000	252,502,000
Expenses	52,215,000	51,046,000
Other income	(1,149,000)	(1,185,000)
Income before taxes	$ 26,562,000	$ 33,804,000
Income taxes	11,188,000	15,216,000
Net Income	$ 15,374,000	$ 18,588,000

Assets

As of Dec. 31	1981	1980
Cash & time deposits	$ 8,859,000	$ 3,887,000
Marketable securities	1,992,000	2,794,000
Receivables, net	46,840,000	49,302,000
*Inventories	115,185,000	118,584,000
Future tax benefits	8,034,000	7,347,000
Current Assets	$ 180,910,000	$ 181,914,000
#Fixed assets	48,560,000	48,859,000
Other assets	5,506,000	5,415,000
Total Assets	$ 234,976,000	$ 236,188,000

Liabilities

Long-term debt, curr.	$ 115,000	$ 1,455,000
Accts. payable	16,781,000	17,309,000
Accruals	10,293,000	8,114,000
Accrued payroll	14,778,000	14,787,000
Income taxes	2,124,000	5,111,000
Other taxes	3,742,000	4,009,000
Curr. Liabilities	$ 47,833,000	$ 50,785,000
Deferred income taxes	3,812,000	5,002,000
Long-term debt	655,000	770,000
Pensions & deferred payments	4,464,000	4,627,000
+Common stock	16,832,000	13,476,000
Add. paid-in capital	28,460,000	32,658,000
Retained earnings	134,744,000	129,377,000
Treasury stock	(735,000)	(507,000)
Translation adjustment	(1,089,000)	—
Total Liabilities & Shareholders' Equity	$ 234,976,000	$ 236,188,000

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.08	10.06
%Net Income to Sales	4.68	5.53
%Net Income to Equity	8.63	10.62
Sales to Inventories	2.85	2.83
Working Capital	$133,077,000	$131,129,000
Current Ratio	3.78	3.42
Shareholders' Equity	$178,212,000	$175,004,000

Stocker & Yale, Inc.

P.O. Box 494
Route 128 and Brimbal Avenue
Beverly, Massachusetts 01915
(617) 927-3940

Officers: James Bickman, president & treasurer; George F. Stocker, exec. v.p.;John H. Rieman v.p.; Leonidas V. Chalas, v.p.-finance; Norman B. Asher, clerk.

Directors: James Bickman, Norman B. Asher, Harold M. Band, Leonidas V. Chalas, John H. Rieman, Theodore Singer, George F. Stocker.

Areas of Work: Designs, manufactures, assembles and markets products primarily in five industry segments: optical/electronic measuring instruments, machine tool accessories, material handling accessories, pressure control systems and lensatic compasses. Optical/electronic products consist of optical measuring instruments, electronic counters and lensatic compasses. Tooling products consist of machine accessories, wedge lock actuators and material handling accessories. Pressure control systems consist of hydraulic spring structures for use in industrial stamping and forming.

Divisions:

Stilson Division
30233 Groesbeck Highway
Roseville, Michigan 48066
(313) 778-2010

Machine tool and material handling accessories for the automotive, appliance, automated and other high production industries.

Die-Draulic Division
30233 Groesbeck Highway
Roseville, Michigan 48066

Manufacturer of hydraulic spring structures for use in stamping presses and dies.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STKR (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,359,222	$ 1,439,839
1980	7,666,198	1,238,341
1979	6,004,532	816,122
1978	5,444,606	663,865
1977	5,869,122	561,658

	No. of Com. Shares ‡	Earn. per Share †
1981	909,508	$ 1.58
1980	909,508	1.36
1979	909,508	0.90
1978	909,508	0.73
1977	909,508	0.62

‡ Adjusted to reflect stock splits.
† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.160	—	—
1980	0.095	—	4-for-3 & 2-for-1
1979	0.060	—	—
1978	0.034	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 6,048,534	$ 6.65
1980	4,754,216	5.23
1979	3,604,106	3.96
1978	2,852,839	3.14
1977	2,197,781	2.42

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 8,359,222	$ 7,466,198
Cost of sales	4,840,500	4,113,451
Expenses	1,241,220	1,210,427
Interest expense	7,651	9,305
Interest income	(363,988)	(234,650)
Income before taxes	$ 2,633,839	$ 2,367,665
Income taxes	1,194,000	1,129,324
Net income	$ 1,439,839	$ 1,238,341

* Included in Costs and Expenses, Depreciation: $96,805 in 1981 and $94,303 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 571,665	$ 2,171,554
Marketable securities	2,834,597	396,243
Receiv., net	1,072,609	1,121,393
*Inventories	2,022,673	1,755,071
Prepaid expenses	50,733	49,415
Current Assets	$ 6,552,277	$ 5,493,676
#Fixed assets	499,565	567,404
Total Assets	$ 7,051,842	$ 6,061,080

Liabilities

	1981	1980
Long-term debt, curr.	$ 28,000	$ 25,000
Accts. payable	215,549	277,674
Accruals	360,726	379,271
Income taxes	137,396	330,933
Curr. Liabilities	$ 741,671	$ 1,012,878
Long-term debt	75,857	105,236
Deferred invest. tax credit	13,584	13,554
Deferred inc. taxes	172,196	175,196
+ Common stock	909,508	909,508
Add. paid-in capital	127,097	127,097
Retained earnings	5,011,929	3,717,611
Total Liabilities & Shareholders' Equity	$ 7,051,842	$ 6,061,080

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	31.51	31.71
%Net Income to Sales	17.22	16.59
%Net Income to Equity	23.80	26.05
Sales to Inventories	4.13	4.25
Working Capital	$5,810,606	$4,480,798
Current Ratio	8.83	5.42
Shareholders' Equity	$6,048,534	$4,754,216

Storage Technology Corporation

2270 South 88th Street
Louisville, Colorado 80027
(303) 673-5151

Officers: Jesse I. Aweida, chairman of the board & chief executive officer; Naim S. Aweida, president & chief operating officer; Zoltan L. Herger, exec. v.p.-new technology group; Erik T. Ringkjob, exec. v.p.-operations; Charles J. Siefert, exec. v.p.-finance & administration; Jacob Atkin, v.p. & president - STC Communications Corporation; Norman B. Barth, v.p.-human resources; Richard D. Benson, v.p. & general manager-Material Management Division; Nathaniel D. Bernt, v.p. & treasurer; Arthur W. Buckingham, Jr., v.p.-sales, Eastern Operations; Donald D. Bunker, v.p. & gen. mgr.-Tape Divison; Martin J. Chizzick, v.p. & controller; Howard L. Derby, v.p.-worldwide field engineering;Russell B. Drew, v.p.-worldwide sales & marketing; Daniel J. Ellis, v.p.-marketing; Barry G. Hull, v.p.-international operations; Philip A. Ingalls, v.p.-OEM sales; William R. Mansfield, v.p.-business program management; William L. Morgan, v.p. & gen. mgr.-Disk/Systems Division; Clifford S. Moss, v.p.-domestic field engineering; Richard H. Ralston, v.p. & gen. mgr.-Documation, Inc.; Juan A. Rodriguez, v.p.-research & technology; John C. Scott, v.p.-sales, Western Operations; Paul P. Brountas, corporate secretary; Alan A. Kenney, corporate counsel, asst. secretary & asst. treasurer.

Directors: Jesse I. Aweida, chairman; Frank P. Brunetta, Charles R. Collins, David J. Dunn, Richard C. Steadman, Robert A. Burgin, Robert E. LaBlanc, Thomas F. Wands, Naim S. Aweida, Charles J. Siefert.

Areas of Work: Engaged in the design, development and manufacture of computer data storage subsystems and the marketing and maintenance of those subsystems. The subsystems utilize one-half inch magnetic tape and magnetic disk recording techniques. Also engaged in the design, manufacture and service of high speed impact printers and card readers. Also manufactures telecommunications products.

Subsidiaries:

Storage Technology of Australia Pty. Ltd.
586 Pacific Highway
Chatswood, New South Wales
2067 (Sydney) Australia

Storage Technology International S.A.
10 rue de Geneve
Boute 2
1140 Brussels, Belgium

Storage Technology of Canada, Ltd.
51 International Boulevard
Rexdale/Toronto
Ontario M3W 6H3
Canada

Storage Technology Corporation, S.A.
5 Allee Du Bourbonnais
78310-Maurepas, France

Storage Technology B.V.
Jaarbeursplein 17
3521 AN Utrecht
The Netherlands

Storage Technology Italia S.p.A.
Via Birmania, 83, Postfach 560147
Rome, Italy

STC Japan, Ltd.
Taneda Building, 8F, 2-5, 1-Chome
Moto Akasaka
Minato-Ku, Tokyo 107
Japan

Storage Technology Corporation de Puerto Rico Inc.
Urbanizacion Industrial El Tuque
Edificio S-S-724-65
Ponce, Puerto Rico 00731

Documation Incorporated de Puerto Rico
Road 114
KM 1.5
Guan Gebo Industrial Park
Mayaguez, Puerto Rico 00708

Storage Technology (Switzerland) A.G.
Gladbachstrasse 121
8044 Zurich, Switzerland

STO Storage Technology Ltd.
Churston House
Portsmouth Road
Esher, Surrey KT 10 9AD
England

Storage Technology (Europe) Limited
European Headquarters
17 Old Court Place
Kensington, London W8 4PL
England

Storage Technology G.m.b.H.
Genferstrasse 11, Postfach 560-147
6000 Frankfurt/M.56
West Germany

Documation Products B.V.
Jamestown Road
Finglas, Dublin 11, Ireland

Transfer Agent(s):

First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Boston, Philadelphia, Pacific.

Ticker Symbol: STK

Number of Employees:

1981	15,197	1978	6,497
1980	11,536	1977	3,988
1979	7,351		

Sales and Earnings

	Revenues (000's)	Net Income (000's)
1981	$ 921,963	$ 82,400
1980	603,493	45,400
1979	479,453	39,746
1978	300,425	26,812
1977	162,272	11,427

	No. of Com. Shares	Earn. per Share
1981	33,372,506	$ 2.50
1980	27,754,622	1.72
1979	24,568,180	1.58
1978	23,651,124	1.15
1977	20,658,540	0.59

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 466,010,000	$ 13.97
1980	251,751,000	9.07
1979	155,470,000	6.33
1978	110,925,000	4.69
1977	61,740,000	2.99

Income Account *
(000's)

Year ended	12/25/81	12/26/80
Net sales	$ 730,800	$ 479,308
Other income	191,163	124,185
Total income	$ 921,963	$ 603,493
Cost of sales	590,459	393,104
Expenses	53,687	108,814
Interest expense	35,147	23,975

Income before taxes	$ 129,100	$ 77,600
Income taxes	46,700	32,200
Net Income	$ 82,400	$ 45,400

Assets
(000's)

As of	12/25/81	12/26/80
Cash	$ 3,720	$ 7,856
Accts. receiv., net	245,606	170,407
Notes receiv., net	13,953	7,856
Sales-type leases	40,085	28,582
*Inventories	206,304	162,927
Current Assets	$ 509,668	$ 377,628
Notes receiv., net	22,090	10,710
Sales-type leases	120,901	72,278
Rental equipment	99,921	64,421
#Fixed assets	212,335	147,859
†Spare parts	67,740	37,009
Other assets	40,034	28,124
Total Assets	$ 1,072,689	$ 738,119

Liabilities
(000's)

Notes payable	$ 50,080	$ 14,266
Long-term debt, curr.	24,944	13,343
Accts. payable	87,965	47,508
Accruals	89,676	66,023
Income taxes	33,316	9,416
Curr. Liabilities	$ 285,978	$ 150,556
Long-term debt	154,061	165,223
Subordinated debentures	100,000	125,000
Deferred income taxes	66,640	45,589
+ Common stock	3,338	2,775
Add. paid-in capital	242,265	110,783
Retained earnings	220,607	138,207
Treasury stock	(200)	(14)
Total Liabilities & Shareholders' Equity	$ 1,072,689	$ 738,119

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Revenues	14.00	12.86
% Net Income to Revenues	8.94	7.52
% Net Income to Equity	17.68	18.03
Working Capital	$223,690,000	$227,072,000
Current Ratio	1.78	2.51
Shareholders' Equky	$466,010,000	$251,751,000

Sun Chemical Corporation

200 Park Avenue
New York, New York 10166
(212) 986-5500

Officers: Norman E. Alexander, chairman of the board & chief executive officer, Edward E. Barr, president & chief operating officer; Stuart Z. Krinsly, exec. v.p. & general counsel; Gerald S. Gutterman sr. v.p.-finance; Gordon R. MacQuaker, Sr. v.p.-graphic arts group; H.C. Whittemore, Jr., sr. v.p.-chemicals group; Dennis M. Libutti, v.p.-Rutherford Machinery Div.; Bernard M. Jaffee, v.p. & secretary; Richard E. France, v.p.-purchasing; Monroe Adlman, v.p.-taxes; W.V. Machaver, v.p.-industrial relations; Massie E. Odiotti, v.p.-general printing ink div.; Peter Ludwig, v.p.-Pigments Division; Joseph C. Allwarden, v.p.-mktg., Kollsman Instrument Div.; Melvin A. Pfaelzer, v.p.-graphic arts; James Weintraub, v.p.-research & development & export; group v.p.'s M.A. Fischer, Fred L. Gagnon, Daniel J. Carlick; S.R. Cacace, v.p. & controller; David J. O'Brien, treasurer; Geoffrey L. Phillips, dir. of corp. development; Linda G. Kyriakou, dir. of corp. communications; Donald Duddy, pres. SNL Insurance, Ltd.

Directors: Norman E. Alexander*, chairman of the board; Edward E. Barr*, Disque D. Deane, A. Leon Fergenson*, Raymond Frankel, F. Mark Garlinghouse, David S. Gottesman, Stuart Z. Krinsly*, Samuel J. Levy, Norman I. Schafler, Fred R. Sullivan, Gerald Tsai, Jr.

*Member of the Executive Committee

Areas of Work: Develops, manufactures and markets products for the graphic arts industry, including printing inks and organic pigment colorants and graphic arts equipment such as cylindrical decorators, electronic color scanners and ultraviolet ink, curing units. Products for the non-graphic arts include textile finishing chemicals, extrusions and laminations, aircraft altimetery and instrumentation, and auto cigarette lighters, and replacement vacuum chambers for ignition systems.

Through its Kollsman-Instrument Division the company is engaged in the manufacture of thermal night sight, laser range finders, ballistic computers and related sensing devices for the U.S. Army.

Divisions and Subsidiaries:

Graphic Arts Group and General Printing Ink Division
135 West Lake Street
Northlake, Illinois 60164
(31[illegible] 562-0550

Graphic Arts Group Laboratory
631 Central Avenue
Carlstadt, New Jersey 07072
(201) 933-4500

Chemicals Group
4605 Este Avenue
Cincinnati, Ohio 45232
(513) 681-5950

Pigments Division
411 Sun Avenue
Cincinnati, Ohio 45232
(513) 681-5950

Chemicals Division
P.O. Box 70
Chester, South Carolina 29706
(803) 385-5181

Graphic Equipment Group and Rutherford Machinery Division
401 Central Avenue
East Rutherford, New Jersey 07073
(201) 933-1200

Color Service Division
1702 Kaiser Avenue
Irvine, California 92714
(714) 556-2950

Kollsman Instrument Division Daniel Webster
Highway South
Merrimack, New Hampshire 03054
(603) 889-2500

Casco Products Division
512 Hancock Avenue
Bridgeport, Connecticut 06602

Sun Chemical Export Corporation
222 Bridge Plaza South
Fort Lee, New Jersey 07024
(201) 224-4600

Encres Dresse, S.A. (98% owned)
Brussels, Belgium

General Printing Ink Corporation of Canada, Ltd.
Weston, Ontario, Canada

Ault & Wiborg Group, Limited (48% owned)
London, England

Sun Chemical (U.K.) Inc.
London, England

Societe France Couleurs, S.A. (95% owned)
Vaujours, France

Materiels Equipements Graphiques (50% owned)
Morangis, France

Kollsman System-Technik, GmbH
Munich, Germany

Baglini S.p. A. (90% owned)
Florence & Milan, Italy

Quimica Flesch S.A. (50% owned)
Santiago, Chile

Sun Chemical de Centro america, S.A. de C.V. (40% owned)
San Salvador, El Salvador

FyL Mexicana, S.A. de C.V. (83% owned)
Mexico City, Mexico

Sun General Printing Ink (Pty.)Ltd.(93% owned)
Capetown, South Africa

Sun Chemical de Panama, S.A. (50% owned)
Panama, Republic of Panama

Fuchs & Lang-Sun Chemical de Venezuela, C.A.
Guarcara, Venezuela

General Printing Ink(Australia) Pty. Ltd. (50% owned)
Victoria, Australia

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: SNL

Number of Employees:

1981	6,300	1978	5,600
1980	6,100	1977	5,000
1979	6,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1981	$ 598,800	$ 25,900
1980 + ...	514,000	30,700
1979	470,400	27,700
1978	395,200	20,500
1977	338,700	15,300

	No. of Com. Shares †	Earn. per Share #
1981	7,490,204	$ 3.47
1980 + ...	6,833,491	4.40
1979	6,780,000	4.08
1978	6,535,500	3.04
1977	6,562,500	2.29

+ Of continuing operations only.
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
† Adjusted to reflect stock splits.
# Based on average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Graphic arts material	$ 407,018,000	$ 346,943,000
Graphic arts equip.	28,275,000	42,719,000
Instruments	105,634,000	62,456,000
Other	57,849,000	61,846,000
Total	$ 598,766,000	$ 513,964,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.48	—	—
1980	0.40	—	3-for-2
1979	0.325	—	4-for-3
1978	0.30	—	—
1977	0.225	—	—

‡ Adjusted to reflect stock splits.

Sun Chemical Corporation

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 179,487,000	$ 23.96
1980‡	151,230,000	22.13
1979	119,875,000	17.68
1978	91,478,000	14.00
1977	75,425,000	11.49

‡ Restated.
+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 598,776	$ 513,964
Cost of sales	424,259	358,139
Expenses	120,905	112,946
Oper. profit	$ 53,612	$ 42,879
Other expense	6,408	1,606
Eq. in earn. of affil. cos.	(15,445)	(10,788)
Gain on sales of prod. line	(8,421)	(4,010)
Interest expense	26,713	18,518
Inc. bef. taxes	$ 44,357	$ 37,553
Income taxes	9,008	7,488
Inc.-cont. oper.	$ 35,349	$ 30,065
Inc.(loss)-chromalloy's discont. oper.	(9,447)	591
Net Income	$ 25,902	$ 30,656

* Included in Costs and Expenses, Depreciation $11,005,000 in 1981 and $9,606,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 10,537	$ 12,755
Short-term invest.	10,536	13,233
Accts. & notes receiv., net	110,779	99,349
*Inventories	115,738	97,910
Prepaid expenses	3,475	2,034
Current Assets	$ 251,065	$ 225,281
Investments	145,749	112,600
#Fixed assets	122,397	109,893
Defer. charges	4,071	3,437
Intangibles	2,886	3,019
Total Assets	$ 526,168	$ 454,230

Liabilities
(000's)

	1981	1980 ‡
Bank loans	$ 23,325	$ 21,083
Long-term debt, curr.	5,486	7,870
Accts. payable	49,675	50,850
Accruals	18,422	15,862
Accrued interest	4,257	3,555
Accrued payroll	12,884	12,634
Accrued inc. taxes	4,422	8,023
Curr. Liabilities	$ 118,471	$ 119,877
Long-term debt	201,961	199,067
Minority interest	10,233	10,224
Deferred inc. taxes	16,016	13,832
+ Common stock	7,507	4,639
Add. paid-in capital	36,694	24,932
Cum. trans. adjust.	(6,486)	3,067
Retained earnings	141,900	119,523
Treasury stock	(128)	(931)
Total Liabilities & Shareholders' Equity	$ 526,168	$ 454,230

‡ Restated.
* At lower of cost or market. Domestic inventories (excluding instrument and graphic equip. segments) at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.43	20.27
Sales to Inventories	5.17	6.12
Working Capital	$132,594,000	$105,404,000
Current Ratio	2.12	1.88
Shareholders' Equity	$179,487,000	$151,230,000

Sun Electric Corporation

One Sun Parkway
Crystal Lake, Illinois 60014
(815) 459-7700

Officers: Louis G. Langpop, chairman of the board & chief executive officer; Frank Perna, Jr., president & chief operating officer; L.A. Enz, exec. v.p. & chief financial officer; E.E. Hale, exec. v.p. & director of operations; Joep M. van Ham, exec. v.p.-European Operations; George L. Wendt, sr. v.p., assist. to pres.; Charles N. Hough, Jr., v.p.-marketing; Carl J.Koskinen, v.p.-engineering; Ronald K. Parrish, v.p.-product program management; Truel L. Brown,Jr., v.p.-U.S. Automotive Sales; H. Allan Stark, v.p.-legal & human resources; B.N. Cohen, secretary & treasurer; Gilbert L. Danielson, controller.

Directors: Philip R. Clarke, Jr., Louis G. Langpop, Lee A. Enz, William E. Callahan, Keith P. Mazurek, C.J. Gauthier, Julius Lewis, Gerald A. Kien, D. Barry Davis.

Areas of Work: Engaged in the design, manufacture and marketing of diagnostic test and service equipment for the transportation industry, utilizing microcomputer applications and advanced electronics. The company serves primarily the vehicle service industry, consumers, and motor vehicle manufacturers in more than 100 countries. Sun Electric's product line includes engine and emissions analyzers; wheel service equipment, including balancers, aligners and brake service equipment; a line of hand-held engine test equipment for home mechanics and repair professionals; and air conditioning and electrical systems testers. These products aid in vehicle maintenance, improve fuel economy, monitor exhaust emissions and check compliance with safety standards.

Divisions and Subsidiaries:

Instrument Products Division
San Jose, California

Sun Electric do Brazil
Comercio E. Industria Limitada
Sao Paulo, Brazil

Sun Electric Europe B.V.
Amsterdam, The Netherlands

Sun Electric Austria
Vienna, Austria

Suntester (Aust.) Pty. Ltd.
Sydney, Australia

Suntester de Puerto Rico, Inc.
Arecibo, Puerto Rico

Sun-Electric de Mexico S.A. de C.V.
Mexico City, Mexico

Suntester Limited
King's Lynn, Norfolk, England

Suntester (Belgium) N.V.
Antwerp, Belgium

Suntester (Nederland) B.V.
Amsterdam, The Netherlands

Sun Electric Deutschland Gmbh
Dusseldorf, West Germany

Van Rooy Dorsman, B.V.
Amsterdam, The Netherlands

Sun Electric France, S.A.
Paris, France

Suntester Equipment (Central) Ltd.
Toronto, Ontario, Canada

Sun Electric Credit Corporation
Crystal Lake, Illinois

Sun Electric International, Inc.
Crystal Lake, Illinois

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SE

Number of Employees:

1981	3,381	1978	3,731
1980	3,435	1977	3,339
1979	3,838		

Plant Footage:

1980	1,095,000 sq.ft.	1977	546,000
1979	984,000	1976	623,000
1978	675,000		

Sales and Earnings ‡

	Net Sales	Net Income
1981	$ 177,405,000	$ (4,278,000)
1980	195,035,000	11,344,000
1979	162,994,000	9,813,0000
1978	138,048,000	8,653,000
1977	112,229,000	7,805,000

	No.of Com. Shares #	Earn. per Share †
1981	6,306,000	$ —
1980	6,297,000	1.97
1979	4,859,000	2.01
1978	4,825,000	1.78
1977	4,690,000	1.84

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
+ Of continuing operations only.
# Adjusted to reflect stock split.
† Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.54	—	—
1980	0.87	—	—
1979	0.60	—	—
1978	0.55	—	3-for-2
1977	0.41	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 86,446,000	$ 13.71
1980	95,796,000	15.21
1979	58,824,000	12.11
1978	51,955,000	10.77
1977	43,460,000	9.27

‡ Restated.
† Adjusted to reflect stock splits.

Income Account *

Year ended October 31	1981	1980 ‡
Net sales	$ 177,405,000	$ 195,035,000
Cost of Sales	101,698,000	99,221,000
Expenses	73,464,000	72,786,000
Interest expense	4,709,000	5,637,000
Foreign curr. trans. losses	126,000	544,000
Earn. of Sun Elec. credit	(2,503,000)	(1,933,500)
Other expense (income)	1,232,000	(208,000)

	1981	1980
Income (loss) before taxes	$ (1,321,000)	$ 18,988,000
Income taxes (credit)	(582,000)	7,249,000
Income (loss)-cont. oper.	$ (739,000)	$ 11,739,000
Loss-discont. oper.	(3,539,000)	(395,000)
Net Income (Loss)	$ (4,278,000)	$ 11,344,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,903,000 in 1981 and $4,253,000 in 1980.
‡ Restated.

Assets

As of Oct. 31	1981	1980 ‡
Cash	$ 1,788,000	$ 1,274,000
Cert. of deposit	9,093,000	5,574,000
Refund. inc. taxes	2,523,000	—
Accts. receiv., net	45,848,000	47,476,000
*Inventories	68,236,000	75,118,000
Current Assets	$ 127,488,000	$ 129,442,000
Investments	10,853,000	10,916,000
#Fixed assets	35,868,000	34,369,000
Other assets	4,720,000	4,536,000
Assets of discontinued operations	8,762,000	10,651,000
Total Assets	$ 187,691,000	$ 189,914,000

Liabilities

Notes payable	$ 11,405,000	$ 15,386,000
Accts. payable	9,567,000	8,071,000
Accruals	17,554,000	17,063,000
Income taxes	12,186,000	10,666,000
Curr. Liabilities	$ 50,712,000	$ 51,186,000
Long-term debt	42,767,000	37,345,000
Deferred inc. taxes	7,766,000	5,587,000
+Common stock	6,306,000	6,297,000
Add. paid-in capital	37,140,000	37,007,000
Retained earnings	43,151,000	50,833,000
Cum. translation adjustment	(151,000)	1,659,000
Total Liabilities & Shareholders' Equity	$ 187,691,000	$ 189,914,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	11.84
Sales to Inventories	2.60	2.60
Working Capital	$76,776,000	$78,256,000
Current Ratio	2.51	2.53
Shareholders' Equity	$86,446,000	$95,796,000

Sunair Electronics, Inc.

3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505

Officers: Robert Uricho, charman of the board & chief exec. officer; Everett A. Cooper, president; J. Robert Bounds, Sue Steadman, v.p.'s; William R. Dawes, secretary & general counsel; Richard H. Hoster, treasurer & controller.

Directors: Robert Uricho, Everett A. Cooper, William R. Dawes, Barrie Shaw, Earl M. Anderson, Jr., William E. Ayer.

Areas of Work: The Company manufactures airborne, mobile, ground, SSB, HF radio, transmitters and digital controls.

Subsidiaries:

Sunair International Sales Corp. (DISC)
3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): American

Ticker Symbol: SNR

Number of Employees:

1980	247	1977	252
1979	298	1976	275
1978	315		

Plant Footage:

1981	80,000 sq. ft.	1978	50,000
1980	50,000	1977	50,000
1979	50,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 14,843,276	$ 2,327,608
1980	13,068,035	2,112,612
1979	13,199,537	2,334,197
1978	11,271,900	1,564,738
1977	7,630,144	1,280,177

	No. of Com. Shares #	Earn. per Share #
1981	2,355,269	$ 0.99
1980	2,354,810	0.90
1979	2,363,330	0.99
1978	2,361,076	0.67
1977	2,409,168	0.53

‡ Of continuing operations; includes other income.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.38	—	2-for-1
1980	0.35	—	—
1979	0.28	—	—
1978	0.24	10%	—
1977	0.18	—	—

† Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 15,842,619	$ 6.73
1980	14,390,142	6.12
1979	13,122,161	5.59
1978	11,587,047	4.90
1977	10,572,333	4.49

† Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 14,040,246	$ 12,222,234
Cost of sales	8,179,176	7,419,936
Expenses	2,457,352	1,970,487
Interest	(715,028)	(737,276)
Other income	(40,547)	(108,525)
Income before taxes	$ 4,159,293	$ 3,677,612
Income taxes	1,831,685	1,565,000
Net Income	$ 2,327,608	$ 2,112,612

* Included in Costs and Expenses, Depreciation: $226,885 in 1981 and $169,895 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 3,972,458	$ 2,672,866
Marketable securities & cert. of deposit	180,000	1,569,231
Accts. receiv., net	2,043,570	1,287,925
*Inventories	6,325,079	6,667,090
Prepaid expenses	149,692	93,924
Current Assets	$ 12,670,799	$ 12,317,036
#Fixed assets	1,961,228	1,251,967
Investments	2,432,750	1,612,750
Other assets	32,016	93,293
Total Assets	$ 17,096,793	$ 15,275,046

Liabilities

Accts. payable	$ 975,173	$ 659,790
Accruals	138,033	177,101
Income taxes	103,629	—
Curr. Liabilities	$ 1,216,835	$ 836,891
Gain on sale of subsid.	37,339	48,013
+Common stock	240,037	120,018
Add. paid-in capital	2,441,821	2,450,129
Retained earnings	13,352,939	12,028,689
Treasury stock	(192,178)	(208,694)
Total Liabilities & Shareholders' Equity	$ 17,096,793	$ 15,275,046

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	29.62	30.09
%Net Income to Sales	16.58	17.28
%Net Income to Equity	14.69	14.68
Sales to Inventories	2.22	1.83
Working Capital	$11,453,964	$11,480,145
Current Ratio	10.41	14.72
Shareholders' Equity	$15,842,619	$14,390,142

Sundstrand Corporation

4751 Harrison Avenue
Rockford, Illinois 61101
(815) 226-6000

Officers: Evans W. Erikson, chairman of the board & chief executive officer; Don R. O'Hare, vice chairman of the board; Bernard W. Kittle, group v.p.-advanced technology; William R. Kopp, group v.p.-data control; Ralph A. Rothstein, v.p.-personnel & public relations; Kenelm A. Groff, v.p.-administration; Richard M. Schilling, v.p. & general counsel; Ted L. Ross, v.p.-finance & secretary; A. Adrian Kemper, controller.

Directors: Evans W. Erikson, chairman; Don R. O'Hare, James W. Ethington, Harry C. Moore, Klaus Murmann, Donald E. Nordlund, John A. Puelicher, Thomas G. Pownall, Thomas L. Martin, Jr.

Areas of Work: The Company's operations can be divided into three groups: power transmission, fluid and heat transfer, and aerospace. Power transmission activities include the manufacture of mechanical power transmissions and couplings for stationary units and marine propulsion drives; hydraulic gear pumps and motors; and controls for a variety of work vehicles and industrial equipment. The aerospace segment manufactures voice and data recorders, tape transport units, navigation systems and data banks, ground proximity warning systems, stall warning systems, controls to supply electrical power for aircraft and related products. The fluid and heat transfer group is engaged in the manufacture of high speed centrifugal pumps and blowers, fuel oil pumps, and heating and cooling components.

Divisions and Subsidiaries:

Sundstrand Hydraulics
2210 Harrison Avenue
Rockford, Illinois 61101
(815) 226-6000

Sundstrand Hydro-Transmission
2800 East 13th Street
Ames, Iowa 60010
(515) 239-6000

Sundstrand Corporation

Airport Road
LaSalle, Illinois 61301
(815) 224-1850

No. Henderson Rd.
P.O. Box 36
Freeport, Illinois 61032
(815) 235-3113

Sundstrand Fluid Handling
14845 W. 65th Avenue
Arvada, Colorado 80002
(303) 425-0800

The Falk Corporation
P.O. Box 492
Milwaukee, Wisconsin 53201
(414) 342-3131

The Falk Corporation
Auburn Operation
P.O. Box 1387
Auburn, Alabama 36830
(205) 821-9100

Sundstrand Heat Transfer, Inc.
P.O. Box 530
Dowagiac, Michigan 49047
(616) 782-2141

Sundstrand Tubular Products, Inc.
P.O. Box 636
Camdenton, Missouri 65020
(314) 346-5593

Sundstrand Energy Systems
Rockford, Illinois

Sundstrand Data Control, Inc.
Overlake Industrial Park
Redmond, Washington 98052
(206) 885-3711
Costa Mesa, California

Trans Com, Division of Sundstrand Data Control, Inc.
3100 Pullman Avenue
Costa Mesa, California 92626
(714) 979-2600

The Falk Corporation of Canada, Ltd.
Rexdale, Ontario, Canada

Falk do Brazil, Equipamentos Industrias Ltda.
Sao Paulo, Brazil

Mecanica Falk, S.A. de C.V.
(49%) owned
Mexico City, Mexico

Sundstrand Pacific (Pte.) Ltd.
Singapore, Republic of Singapore

Sundstrand France
Dijon, France

The Standard of America Financial Corp.
One South Washington St.
Park Ridge, Illinois 60068
(312) 825-4455

Nikkiso-Sundstrand Company Limited
(50% owned)
Tokyo, Japan

Munck-Sundstrand Transmissoes Hidro Staticas Ltda.
(40% owned)
Sao Paulo, Brazil

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: SNS

Number of Employees:

1981	16,100	1978	15,700
1980	15,600	1977	14,300
1979	15,400		

Sales and Earnings ‡

	Net Sales (000's)	Net Income (000's)
1981	1,045,687	95,011
1980	926,026	76,907
1979	842,630	66,274
1978	731,575	49,052
1977	661,199	36,861

	No. of Com. Shares #	Earn. per Share #
1981	18,055,000	5.23
1980	16,928,000	4.45
1979	15,977,000	3.98
1978	15,439,000	3.00
1977	14,743,000	2.32

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Power transmission	$ 389,326	$ 338,636
Fluid & heat transfer	132,052	108,014
Aerospace	524,309	479,376
Total	$ 1,045,687	$ 926,026

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.70	—	—
1980	1.50	—	—
1979	1.05	—	—
1978	0.73	—	—
1977	0.60	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share #
1981	454,341,190	25.16
1980	371,904,900	21.97
1979	270,816,640	16.95
1978	213,901,790	13.85
1977	169,994,799	11.53

† Restated to reflect change in accounting method.
‡ After allowing for preferred stock at redemption value.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 1,045,687	$ 926,026
Cost of sales	685,056	610,579
Expenses	188,681	167,305
Other income	(14,008)	(7,673)
Interest expense	29,417	25,768
Prov. for loss to reduce asset val.	—	8,190
Income before taxes	$ 156,541	$ 121,857
Income taxes	61,530	44,950
Net Income	$ 95,011	$ 76,907

* Included in Costs and Expenses, Depreciation and Amortization: $45,241,000 in 1981 and $38,837,000 in 1980.
‡ Restated to reflect change in accounting method.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 7,354	$ 7,869
Accts. receiv., net	202,828	164,668
*Inventories	349,858	331,641
Other assts, curr.	7,295	6,239
Curr. Assets	$ 567,335	$ 510,417
#Fixed assets	284,884	254,179
Other assets	40,675	22,098
Total Assets	$ 892,894	$ 786,694

Liabilities
(000's)

	1981	1980 ‡
Notes payable	$ 31,739	$ 6,156
Long-term debt, curr.	9,718	8,871
Accts. payable	71,154	50,717
Accruals	27,237	25,138
Accrued payroll	31,709	35,050
Retirement plan	10,172	20,220
Income taxes	36,360	19,564
Curr. Liabilities	$ 218,089	$ 165,716
Long-term debt	140,778	170,215
Deferred inc. taxes	68,615	54,559
+ Preferred stock	123	270
+ + Common stock	18,216	17,746
Add. paid-in capital	114,966	109,257
Retained earnings	341,740	278,015
Foreign Currency translation adjustment	(1,972)	—
Treasury stock	(657)	(688)
Unamortized value of restricted stock issue	(7,004)	(8,396)
Total Liabilities & Shareholders' Equity	$ 892,894	$ 786,694

‡ Restated to reflect change in accounting method.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.97	13.16
%Net Income to Sales	9.09	8.31
%Net Income to Equity	20.41	19.41
Sales to Inventories	2.99	2.79
Working Capital	$394,246,000	$344,701,000
Current Ratio	2.60	3.08
Shareholders' Equity	$465,412,000	$396,204,000

The Superior Electric Company

383 Middle Street
Bristol, Connecticut 06010
(203) 582-9561

Officers: Wayne A. Peterson, president & chief executive officer; Richard F. Greene, executive v.p. & treasurer; John H. Crozier, corp. counsel & secretary, Robert E. Lowrey, asst. treasurer; Martin Kaplan, v.p.-engineering; Harold W. Lorenson, v.p.-sales; Paul J. Melvin, v.p.-marketing; Terry J. Margolis, v.p.-operations.

Directors: Maurice P. Andrien, Jr., William P. Carpenter*, Richard F. Greene*, Betty H. Jerome*, Charles M. Kearns*, Donald A. Nelson*, Richard B. Nelson, Wayne A. Peterson*, Charles A. Sweet*.

* Member of Executive Committee.

Areas of Work: Engaged in the design, engineering, manufacturing and marketing of a range of electronic products, voltage controls and motion controls. Voltage controls include variable transformers, automatic voltage regulators, and light controls. Motion controls include synchronous stepping motors, and stepping control devices.

Subsidiaries:

The American Superior Electric Company, Limited
38 Torlake
Toronto, Ontario M8Z 1B3 Canada

Superior Electric Nederland B.V.
Koperwerf 33
2544 EM The Hague, The Netherlands

Superior Electric G.m.b.H.
Frankfurt, Germany

Superior Electric Engineering Services, B.V.
Harlow, Essex, England

Superior Electric International Sales Company
Bristol, Connecticut 06010

Superior Electric S.A.R.L.
Paris, France

Transfer Agent(s):

The Connecticut Bank & Trust Company
Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SUPE (NASDAQ)

Sales and Earnings †

	Net Sales	Net Income
1981	$ 45,074,000	$ 1,201,000
1980	49,832,000	2,711,000
1979	44,386,000	2,366,000
1978	35,791,000	1,624,000
1977	29,214,000	1,409,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	2,459,753	$ 0.49
1980	2,456,416	1.10
1979	2,528,070	0.94
1978	2,577,970	0.63
1977	2,576,262	0.55

† Restated to reflect change in accounting method to comply with FASB statement No. 52 concerning Foreign Currency Translations.

‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Voltage controls	$ 18,052	$ 16,622
Motion controls	27,022	33,210
Total	$ 45,074	$ 49,832

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.39	—	—
1979	0.33	—	—
1978	0.285	—	—
1977	0.24	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1981	$ 22,053,000	$ 8.97
1980	22,166,000	9.02
1979	20,709,000	8.43
1978	20,035,000	7.77
1977	19,126,000	7.42

‡ Restated.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 45,074,000	$ 49,832,000
Cost of sales	29,839,000	31,417,000
Expenses	11,557,000	12,148,000
Product develop.	1,347,000	926,000
Other charges	774,000	823,000
Income before taxes	$ 1,557,000	$ 4,518,000
Income taxes	356,000	1,807,000
Net Income	$ 1,201,000	$ 2,711,000

* Included in Costs and Expenses, Depreciation: $1,011,000 in 1981 and $962,000 in 1980.

‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 3,671,000	$ 2,392,000
Accts. receiv., net	7,967,000	7,852,000
Other receiv.	133,000	149,000
*Inventories	14,055,000	14,115,000
Prepaid expenses	663,000	790,000
Current Assets	$ 26,489,000	$ 25,298,000
#Fixed assets	9,525,000	10,159,000
Other assets	782,000	835,000
Total Assets	$ 36,796,000	$ 36,292,000

Liabilities

Notes payable	$ —	$ 2,000,000
Long-term debt, curr.	400,000	400,000
Accts. payable	2,772,000	1,723,000
Accrued pension	842,000	1,049,000
Accrued payroll & compen.	588,000	878,000
Income taxes	590,000	1,094,000
Other taxes	691,000	742,000
Other accruals	174,000	82,000
Curr. Liabilities	$ 6,057,000	$ 7,968,000
Long-term debt	8,400,000	5,800,000
Deferred inc. taxes	286,000	358,000
+Common stock	2,460,000	2,458,000
Add. paid-in capital	13,593,000	13,571,000
Retained earnings	6,174,000	5,957,000
Eq. adjust. from for curr. trans.	(174,000)	180,000
Total Liabilities & Shareholders' Equity	$ 36,796,000	$ 36,292,000

‡ Restated.
* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.45	9.07
%Net Income to Sales	2.66	5.44
%Net Income to Equity	5.45	12.23
Sales to Inventories	3.21	3.53
Working Capital	$20,432,000	$17,330,000
Current Ratio	4.37	3.17
Shareholders' Equity	$22,053,000	$22,166,000

Superscope, Inc.

20525 Nordhoff Street
Chatsworth, California 91311
(213) 998-9333

Officers: Joseph S. Tushinsky, chairman of the board, chief executive officer, president & chief financial officer; Fred C. Tushinsky, exec. v.p.; Ronald C. Costa, sr. v.p.-sales; Anthony M. Blazina, v.p; Richard L. Clark, v.p. administration & admin. asst. to the president; Robert M. Fried, v.p.-marketing; Pamela A. Hendricks, controller & chief accounting officer; Richard J. Jordan, v.p.-product development; Lawrence L. Lemoine, treasurer & asst. secretary; Alan Weber, v.p., secretary & general counsel.

Directors: Joseph Tushinsky, Fred C. Tushinsky, Ronald C. Costa, Richard D. Rosenblatt, Laurence M. Weinberg, Marc Sterling, Gerald J. Bongard, Howard W. Koch.

Areas of Work: Manufactures and distributes a complete line of consumer audio products for home entertainment, including stereo high fidelity components, potable radio cassettes and cassette recorders, auto stereo components, reproducing pianos and systems, standard pianos and prerecorded tape products.

Divisions and Subsidiaries:

Marantz Company, inc.
Pianocorder Division
Superscope Tape Duplicating Products, Inc.

all at:

20525 Nordhoff Street
Chatsworth, California 91311

Marantz Piano Company, Inc.
P.O. Box 1238
Morganton, North Carolina 28655

Superscope Canada Ltd.
Mississauga, Ontario
Canada

Transfer Agent(s):

Bank of America NT & SA
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Pacific

Ticker Symbol: SSP

Number of Employees:

1981	561	1980	548

Plant Footage:

1981	413,000 sq. ft.	1980	195,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 56,176,000	$ (5,240,000)
1980	153,659,000	(13,071,000)
1979	196,864,000	(14,614,000)
1978	205,138,000	(15,487,000)
1977	178,649,000	383,000

	No. of Com. Shares †	Earn. per Share †
1981	2,308,000	$ —
1980	2,308,000	—
1979	2,308,000	—
1978	2,308,000	—
1977	2,308,000	0.17

(Loss)

† Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 17,841,000	$ 7.73
1980	23,081,000	10.00
1979	36,152,000	15.66
1978	48,705,000	21.10
1977	64,192,000	27.81

+ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 56,176	$ 153,659
Cost of sales	37,231	106,921
Expenses	23,967	48,000
Prov. for doubt. accts.	1,148	1,969
Minority interest	—	37
Interest expense	771	10,637
Interest income	(1,405)	(792)
Equity in net inc. of subsid.	—	1,036
Gain on sale of for. oper.	—	(2,124)

Superscope, Inc.

	1981	1980
Loss before taxes	$ (5,456)	$ (12,025)
Income taxes (credit)	(216)	1,046
Net Loss	$ (5,240)	$ (13,071)

* Included in Costs and Expenses, Depreciation and Amortization: $1,470,000 in 1981 and $3,209,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 4,117	$ 9,999
Accts. receiv., net	13,722	14,631
* Inventories	21,961	21,926
Prepaid expenses	1,039	767
Current Assets	$ 40,839	$ 47,323
# Fixed assets	4,324	5,241
Defer. charges	2,941	2,593
Total Assets	$ 48,104	$ 55,157

Liabilities

	1981	1980
Notes payable	$ 1,137	$ 1,253
Long-term debt, curr.	2,308	2,002
Accts. payable	2,885	3,844
Accruals	3,599	3,954
Income taxes	1,529	1,649
Curr. Liabilities	$ 11,458	$ 12,702
Notes payable	9,895	9,895
Accrued interest	7,450	7,658
Long-term debt	1,037	1,311
Est. liability for warr. costs	423	510
+ Common stock	2,308	2,308
Add paid-in capital	10,956	10,956
Retained earnings	4,577	9,817
Total Liabilities & Shareholders' Equity	$ 48,104	$ 55,157

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	2.56	7.01
Working Capital	$29,381,000	$34,621,000
Current Ratio	3.56	3.73
Shareholders' Equity	$17,841,000	$23,081,000

Survival Technology, Inc.

7801 Woodmont Avenue
Bethesda, Maryland 20814
(301) 654-2303

Officers: Stanley J. Sarnoff, chairman of the board & chief exec. officer; Brian H. Dovey, president; George B. Calkins, v.p.-engineering; Cabot R. Caskie, v.p., treasurer & secretary; Doris L. Geie, asst. secretary; Raymond H. Miller, Jr., asst. treasurer.

Directors: Stanley J. Sarnoff, chairman; Robinson Bosworth, Jr., Robert E. Herzstein, J. Gilbert Nettleton, Jr., Brian H. Dovey, Paul D. Paganucci.

Areas of Work: Develops, manufactures and sells syringes, electronic cardiac monitoring equipment, automatic injectors, and emergency care products.

Divisions:

Pharmaceutical Division
2555 Hermelin Drive
St. Louis, Missouri

Medidose
New York, New York

Southwest Monitoring Center
Houston, Texas

Transfer Agent(s):
Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SURV (NASDAQ)

Number of Employees:
1981 265

Plant Footage:
1981 . . . . . . 25,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income +
1981	$ 17,904,000	$ 883,600
1980	15,471,000	652,600
1979	11,717,000	1,711,209
1978	10,489,000	1,171,074
1977	6,109,000	(1,649,258)

	No. of Com. Shares ‡	Earn. per Share ‡+
1981	2,528,000	$ 0.35
1980	2,490,000	0.26
1979	2,482,000	0.69
1978	2,482,000	0.47
1977	2,482,000	—

(Loss)
+ Including extraordinary gains of $607,000 ($0.24 per share) in 1979 and $585,000 ($0.23 per share) in 1978.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenue By Line of Business

	1981	1980	1979	1978
Military automatic injectors	68%	62%	59%	68%
Cardiac monitoring equip.	4	6	9.5	10
Cardiac monitoring serv.	7	7	3.5	—
Emergency care prods.	9	10	13	14
Syringe prods.	11	14	10	7
Other	1	1	5	1
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 5,418,700	$ 2.14
1980	4,124,200	1.66
1979	3,410,894	1.37
1978	1,699,685	0.68
1977	528,611	0.21

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended July 31	1981	1980
Net sales	$ 17,903,700	$ 15,470,900
Cost of sales	10,817,300	9,928,100
Expenses	4,854,700	4,105,600
Depreciation & amortization	622,000	547,500
Interest expense	280,700	199,900
Other income	(194,600)	(437,100)
Income before taxes	$ 1,523,600	$ 1,126,900
Income taxes	640,000	474,300
Net Income	$ 883,600	$ 652,600

Assets

As of July 31	1981	1980
Cash	$ 264,700	$ 284,200
Receivables	4,387,600	2,883,000
*Inventories	3,095,900	2,437,100
Prepaid expenses & deposits	163,700	192,200
Current Assets	$ 7,911,900	$ 5,796,500
#Fixed assets	1,825,600	1,538,800
Intangibles	318,400	351,200
Other assets	276,100	124,300
Total Assets	$ 10,332,000	$ 7,810,800

Liabilities

	1981	1980
Notes, payable	$ 2,157,300	$ 1,200,000
Long-term debt, curr.	150,000	150,000
Accts. payable	1,016,900	1,088,300
Accruals	550,000	428,200
Deferred inc. taxes	976,600	407,600
Curr. Liabilities	$ 4,850,800	$ 3,274,100
Notes payable	62,500	412,500
+Common stock	256,300	249,000
Add. paid-in capital	826,700	423,100
Retained earnings	4,335,700	3,452,100
Total Liabilities & Shareholders' Equity	$ 10,332,000	$ 7,810,800

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.51	7.28
%Net Income to Sales	4.94	4.22
%Net Income to Equity	16.31	15.82
Sales to Inventories	5.78	6.35
Working Capital	$3,061,100	$2,522,400
Current Ratio	1.63	1.77
Shareholders' Equity	$5,418,700	$4,124,200

Sybron Corporation

1100 Midtown Tower
Rochester, New York 14604
(716) 546-4040

Officers: William G. vonBerg, chairman of the board & chief executive officer; Herbert W. Jarvis, president & chief operating officer; James M. Kieffer, sr. v.p.; Alfred M. Hallenbeck, v.p. & general counsel; Jack M. Hultz, v.p.-human resources; James P. McCloskey, v.p.-finance; David W. Carter, group v.p.-Health Products; Richard M. Klein, group v.p.-Chemicals; Raymond W. Strohm, group v.p.-Laboratory Products; Donald D. Welt, group v.p.-Instrument; William Wood, group v.p.-Process Equipment; Robert H. Stegemann, controller; John G. Brummer, secretary; Jeffrey Albin, treasurer; Hansjoerg Cohnen, asst. treasurer; Dennis R. Olson, asst. controller; Theodore B. Roessel, asst. secretary & asst. general counsel.

Directors: William B. vonBerg, chairman; William F. Andrews, Richard C. Farley, Sherman Farnham, Joseph P. Fox, Donald A. Gaudion, Emanuel Goldberg, Alexander D. Hargrave, Herbert W. Jarvis, James M. Kieffer, Donald D. Lennox, James P. O'Neill, Paul F. Pagerey, Robert L. Sproull.

Operating Groups

Chemical Group

Manufactures specialty chemicals, ion exchange resins and generic organic chemicals used as treatment compounds, additives and catalysts.

Chemical Division
Gamlen Far East
Gamlen Europe
Resindion Division
Tanatex Division

Health Products Group

Produces equipment, supplies and provides services for medical and dental practitioners for use in offices, hospitals and laboratories.

Heritage Laboratories
Kerr Company
Kerr Europe
Medical Products Division
Ritter A.G.
Ritter Dental Company

Instrument Group

Manufactures analog-type and automated computerized process control instrumentation used in the petrochemical and petroleum refining industries.

Taylor Instrument Company
Taylor Instrument Ltd. (Europe)

Laboratory Products Group

Engaged in the manufacture of a variety of laboratory supplies including reusable labware, stirrers and heating apparatus, micro centrifuges, microscopic slides, analytical testing and water filtration equipment.

Analytical Products Division
Barnstead Company
Brinkmann Instruments Co.
Erie Scientific Company
Nalge Company
Thermolyne Corporation

Process Equipment Group*

Manufactures large, glass-lined steel reactor vessels for use in the chemical, plastics and pharmaceutical industries.

Henry Balfour & Co., Ltd.
Leopold Company
The Pfaudler Company
Pfaudler S.A. de V.C. (Mexico)
Pfaudler-Werke A.G. (West Germany)

* The Company has announced its intention to sell the Process Equipment Group.

Transfer Agent(s):

Lincoln First Bank N.A.
Rochester, New York

Stock Exchange(s): New York

Ticker Symbol: SYB

Number of Employees:

1981	14,466	1978	15,600
1980	15,169	1977	17,000
1979	15,000		

Sales and Earnings ‡

	Net Sales +	Net Income
1981	$ 647,134,000	$ 27,606,000
1980	644,535,000	20,787,000
1979	582,653,000	19,537,000
1978	503,685,000	27,809,000
1977	473,600,000	27,157,000

	No. of Com. Shares #	Earn per Share #
1981	10,914,000	$ 2.25
1980	10,907,000	1.56
1979	10,904,000	1.35
1978	11,130,000	2.04
1977	11,892,000	1.77

+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences in years 1977-1980 and with FASB Statement No. 52 concerning foreign currency translation in 1979 and 1980.

Revenue By Line of Business
(000's)

	1981	%	1980	%
Health products	$241,040	37%	$246,338	38%
Instrumentation	192,385	30	189,819	29
Specialty chemicals	96,426	15	99,666	16
Laboratories prods.	117,283	18	108,712	17
Total	$647,134	100%	$644,535	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.08	—	—
1980	1.08	—	—
1979	1.02	—	—
1978	0.96	—	—
1977	0.90	—	—

Common Stock Equity †

	Total Equity ‡	Equity Per Share
1981	$ 236,052,000	$ 24.56
1980	234,104,000	24.53
1979	229,317,000	24.03
1978	207,430,000	21.74
1977	209,372,000	19.87

† Restated.
‡ After allowing for preferred stock at involuntary liquidation value.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 647,134,000	$ 644,535,000
Other income	6,368,000	2,754,000
Total Income	$ 653,502,000	$ 647,289,000
Cost of sales	387,152,000	392,399,000
Expenses	205,716,000	204,648,000
Interest expense	12,846,000	15,249,000
Relocation exp.	10,029,000	2,157,000
Other income	(10,382,000)	(862,000)
Income before taxes	$ 48,141,000	$ 33,698,000
Income taxes	23,536,000	14,744,000
Eq. in loss of Japanese affil.	—	1,993,000
Inc.- cont. oper.	$ 24,605,000	$ 16,961,000
Inc.- discont. oper.	3,001,000	3,826,000
Net Income	$ 27 606,000	$ 20,787,000

* Included in Costs and Expenses, Depreciation: $14,201,000 in 1981 and $13,391,000 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 3,117,000	$ 3,694,000
Marketable securities	74,215,000	24,095,000
Accts. & notes receiv., net	112,065,000	124,107,000
*Inventories	142,732,000	151,245,000
Prepaid expenses & other assets	9,321,0000	12,793,000
Current Assets	$ 341,450,000	$ 315,934,000
Investments & other assets	87,012,000	109,563,000
#Fixed assets	101,388,000	101,086,000
Total Assets	$ 529,850,000	$ 526,583,000

Liabilities

	1981	1980
Short-term debt	$ 12,717,000	$ 16,648,000
Long-term debt, curr.	2,919,000	2,548,000
Pref. stock div. pay.	483,000	508,000
Accts. payable	41,548,000	39,814,000
Customers advances	13,541,000	7,646,000
Income taxes	15,159,000	15,699,000
Accruals	61,307,000	53,570,000
Curr. Liabilities	$ 147,674,000	$ 136,433,000
Long-term debt	107,536,000	113,977,000
Pension oblig.- for. subsid.	8,315,000	9,678,000
Deferred inc. taxes	8,935,000	10,298,000
Other liab.	3,610,000	3,468,000
+ Preferred stock	3,223,000	3,386,000
+ + Common stock	24,031,000	23,860,000
Add. paid-in capital	3,974,000	3,938,000
Curr. trans. adjust.	(3,858,000)	(10,423,000)
Retained earnings	226,410,000	211,122,000
Total Liabilities & Shareholders' Equity	$ 529,850,000	$ 526,583,000

‡ Restated.
* At lower of cost or market. Domestic inventories at LIFO; remainder at approx. current costs.
# Less accumulated depreciation.
+ $4 par value.
+ + $2.50 par value.

Statistical Summary

%Net Income to Equity	10.88	8.23
Sales to Inventories	4.53	4.26
Working Capital	$193,776,000	$179,501,000
Current Ratio	2.31	2.32
Shareholders' Equity	$253,780,000	$252,729,000

Sykes Datatronics, Inc.

159 East Main Street
Rochester, New York 14604
(716) 325-9000

Officers: Robert F. Sykes, chairman & chief exec. officer; G.C. Belden, Jr.,president & chief operating officer; Albert Montevecchio, exec. v.p.-marketing; John R. Sykes, v.p.; Alton F. Riethmeier, sr. v.p.-engineering; Edward L. Pavia, sr. v.p.-software development; Gerald F. McNeil, v.p.-mfg.; William S. Christiansen, v.p.-human resources; Nicholas S. DeSimone, v.p.-intl. sales; Michael H. Levokove, v.p.-marketing; Charles S. Pedler, v.p.-business area, Steven A. Rothschild, controller; Peter J.B. Stevens, v.p.-European sales; Vijay K. Raghavan, v.p. & treasurer; Stanley R. Foster, v.p.-product evaluation; Robert V. Gianniny, secretary; Steven V. Gianniny, secretary.

Directors: G.C. Belden, Jr., Robert F. Sykes, John R. Sykes, Albert J. McMullen, Martin F. Birmingham, Robert V. Gianniny, Frank M. Hutchins, Jack C. Corey, Jr., Ernest I. Reveal, Albert J. Montevecchio.

Areas of Work: Engaged in the development and manufacture of low-cost data storage systems for use with communication terminals, digital minicomputers, calculators, lab equipment and small business systems computers.

Transfer Agent(s):

Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SYKE (NASDAQ)

Number of Employees:

1982	710	1979	142
1981	408	1978	102
1980	223		

Plant Footage:

1982	400,000 sq. ft.	1979	125,000
1981	360,000	1978	44,000
1980	125,000		

Sales and Earnings

	Net Sales	Net Income +
1982	$ 45,407,559	$ 7,846,834
1981	24,174,408	3,354,015
1980	12,298,316	1,491,600
1979	6,552,254	713,811
1978	5,008,001	495,420

	No. of Com. Shares #	Earn. per Share + #
1982	12,736,401	$ 0.62
1981	11,221,903	0.30
1980	9,149,118	0.16
1979	8,889,282	0.08
1978	8,526,864	0.06

+ Including extraordinary gains of $208,000 ($0.07 per share) in 1980 and $153,000 ($0.05 per share) in 1978.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Sykes Datatronics, Inc.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	200%	—
1981	—	100%	—
1980	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 33,631,158	$ 2.64
1981	24,980,654	2.23
1980	3,754,717	0.41
1979	2,215,405	0.25
1978	1,420,765	0.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	2/28/82	2/28/81
Net sales	$ 45,407,559	$ 24,174,408
Cost of sales	18,299,870	10,948,800
Expenses	15,324,243	7,484,377
Interest income	(1,591,998)	(568,983)
Interest expense	324,908	149,280
Other expense (income)	(28,298)	14,919
Income before taxes	$ 13,078,834	$ 6,146,015
Income taxes	5,232,000	2,792,000
Net Income	$ 7,846,834	$ 3,354,015

* Included in Costs and Expenses, Depreciation: $1,043,980 in 1982 and $540,266 in 1981.

Assets

As of	2/28/82	2/28/81
Cash	$ 491,236	$ 406,161
Short-term invest.	2,893,985	13,794,395
Accts. receiv., net	7,850,333	6,046,118
*Inventories	18,270,171	6,127,490
Deferred inc. taxes	361,000	286,000
Other curr. assets	279,671	120,337
Current assets	$ 30,146,396	$ 26,780,501
#Fixed assets	16,817,824	3,651,772
Other assets	821,735	—
Total Assets	$ 47,785,955	$ 30,432,273

Liabilities

	2/28/82	2/28/81
Long-term debt, curr.	$ 569,401	$ 104,862
Accts. payable	3,227,174	1,685,788
Accruals	1,811,408	1,088,792
Accrued inc. taxes	972,491	1,536,951
Curr. Liabilities	$ 6,580,474	$ 4,416,393
Long-term debt	6,813,323	798,226
Deferred inc. taxes	761,000	237,000
+Common stock	1,258,403	416,599
Add. paid-in capital	21,886,504	20,939,935
Deferred stock option	(1,456,528)	(471,825)
Retained earnings	11,942,779	4,095,965
Total Liabilities & Shareholders' Equity	$ 47,785,955	$ 30,432,273

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	2/28/82	2/28/81
%Income bef. Taxes to Sales	28.80	25.42
%Net Income to Sales	17.28	13.87
%Net Income to Equity	23.33	13.43
Sales to Inventories	2.49	3.95
Working Capital	$23,565,922	$22,364,108
Current Ratio	4.58	6.06
Shareholders' Equity	$33,631,158	$24,980,654

Tab Products Co.

2690 Hanover Street
Palo Alto, California 94304
(415) 493-5790

Officers: H.W. LeClaire, president & chief operating officer; M.T. Reeder, exec. v.p., president-Office Filing Systems Division; Philip M. Croel, v.p., exec. v.p.-Office Filing Systems Division; H. E. LeClaire, v.p., general manager-Electronic Office Products; Kurt Lein, v.p.-international operations; Dennis R. Searles, v.p.-finance, secretary-treasurer; R.J. Sexton, controller & asst. sec.

Directors: H.W. LeClaire, M.T. Reeder, F.S. Foote, Jr., J.D. MacConnell, C. Lester Hogan, Bob Augsberger, C.D. Means.

Areas of Work: Develops, manufactures and markets computer accessories, office filing systems, electronic data entry equipment, and microprocessor/diskette products for document control and financial/fund accounting.

Subsidiaries:

Tab Products of Canada Ltd.
570 Denison Street
Markham, Ontario L3R 1B9, Canada
(416) 495-6844

Tab Products (Europa) B.V.
Eleanor Rooseveltlaan 102-104
P.O. Box 300
Amstelveen, The Netherlands

Tab Sales Corp.
Palo Alto, California

Transfer Agent(s):

Crocker National Bank
50 First Street
San Francisco, California 94105

Stock Exchange(s): American

Ticker Symbol: TBP

Number of Employees:

1981	1,051	1978	947
1980	1,051	1977	850
1979	1,019		

Plant Footage:

1981	450,000 sq. ft.	1978	318,000
1980	450,000	1977	277,000
1979	346,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 88,965,000	$ 3,318,000
1980	83,016,000	4,148,000
1979	68,181,000	2,570,000
1978	56,141,000	1,799,000
1977	50,260,000	2,285,000

	No. of Com. Shares	Earn. per Shares #
1981	1,922,613	$ 1.73
1980	1,915,248	2.17
1979	1,904,199	1.35
1978	1,892,122	0.95
1977	1,881,102	1.22

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.18	—	3-for-2
1980	0.13	—	—
1979	0.13	—	—
1978	0.12	—	3-for-2
1977	0.09	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 23,632,000	$ 12.29
1980	20,524,000	10.72
1979	16,515,000	8.67
1978	14,102,000	7.45
1977	12,458,000	6.62

‡ Adjusted to reflect stock splits.

Income Account *

Year ended May 31	1981	1980
Net sales & oper. rev.	$ 88,965,000	$ 83,016,000
Cost of sales	47,475,000	44,557,000
Expenses	33,099,000	28,854,000
Interest expense	1,993,000	2,382,000
Income before taxes	$ 6,398,000	$ 7,223,000
Income taxes	3,080,000	3,075,000
Net Income	$ 3,318,000	$ 4,148,000

Assets

As of May 31	1981	1980
Cash	$ 1,158,000	$ 594,000
Accts. receiv., net	14,795,000	14,092,000
*Inventories	9,298,000	11,880,000
Prepaid expenses	1,306,000	1,044,000
Current Assets	$ 26,557,000	$ 27,610,000
#Fixed assets	16,828,000	15,639,000
Other assets	334,000	902,000
Total Assets	$ 43,719,000	$ 44,151,000

Liabilities

	1981	1980
Notes payable	$ 1,534,000	$ 3,145,000
Long-term debt, curr.	133,000	125,000
Accts. payable	3,220,000	4,357,000
Commissions	2,308,000	1,528,000
Other accruals	3,059,000	2,760,000
Income taxes	616,000	1,200,000
Curr. Liabilities	$ 10,870,000	$ 13,115,000
Long-term debt	9,217,000	10,512,000
+Common stock	3,661,000	3,318,000
Retained earnings	19,971,000	17,006,000
Total Liabilities & Shareholders' Equity	$ 43,719,000	$ 44,151,000

* Domestic inventories purchased for resale are valued at LIFO; remainder at FIFO or average.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.19	8.70
%Net Income to Sales	3.73	5.00
%Net Income to Equity	14.04	20.21
Working Capital	$15,687,000	$14,495,000
Current Ratio	2.44	2.11
Shareholders' Equity	$23,632,000	$20,524,000

Talley Industries, Inc.

3500 North Greenfield Road
P.O. Box 849
Mesa, Arizona 85201
(602) 898-2200

Officers: William H. Mallender, president & chief executive officer; Joseph D. DiSesa, chairman of the board; Gerard G. Ellis, sr. v.p.-finance; Donald L. Corey, v.p. & treasurer; Edward T. Ryan, Jr., v.p.; Mark S. Dickerson, general counsel & secretary; Kenneth May, controller; Jack C. Crim, exec. v.p. & chief operating officer.

Directors: Joseh D. DiSesa*, chairman; B. Paul Barnes, Townsend W. Hoopes, John D. MacNaughton, Jr., Emiel T. Nielsen, Jr., Thomas F. Reddy, Jr.*, John C. Robinson, Fred G. Schuller, Wesley A. Stanger, Jr.*, John W. Stodder, William H. Mallender*.

*Member of the Executive Committee.

Areas of Work: The Government & Technical Segment includes aircraft escape systems, components for aircraft crew escape systems, rocket motors, gas generators, and other ballistically actuated devices; and safe and arm devices. Ballistic and ordinance products are generally sold under prime contract directly to the U.S. Government. Also sells a variety of other government products, including video mappers, BITE indicators, potentiometers, mimiative switches, and electonics. The Commercial Segment includes products such as timing devices (automobile clocks, clock radio timers, battery clock movements, industrial timers and elapsed time indicators), molded plastic parts, and wholesale distribution of building supplies. Also manufactures and distributes other products including a variety of fractional horsepower motors, electro-magnetic clutches and brakes, humidity control devices, and metal stampings, clocks and watches. The Apparel Segment imports and distributes menswear, and womenswear. The Realty Segment operates in the Greater Phoenix area. Engaged in the sale of land to developers for commercial and residential development.

Divisions, Susidiaries & Affiliates:

Waterbury Companies, Inc.
P.O. Box 1812
Waterbury, Connecticut 06720
(203) 756-5551

Talma, Inc.
14-16 Western Avenue
Augusta, Maine 04330
(207) 622-5821

Adorence Company, Inc.
1370 Broadway
New York, New York 10018
(212) 244-8490

Talley Industries of Arizona, Inc.
4551 East McKellips Road
Mesa, Arizona 85205
(602) 832-3830

Russell Plastics Technology, Inc.
521 West Hoffman Avenue
Lindenhurst, New York 11757
(516) 226-3700

Seth Thomas Division
135 South Main Street
Thomaston, Connecticut 06787
(203) 283-5881

Minelco Division
135 South Main Street
Thomaston, Connecticut 06787
(203) 283-8261

Electrodynamics Division
1200 Hicks Road
Rolling Meadow, Illinois 60008
(312) 259-0740

Stencel Aero Engineering Corporation
Asheville, North Carolina

Dynamic Science, Inc.
Phoenix, Arizona

Talley International Sales Corporation
Mesa, Arizona

Talley General Time Limited
Strathaven, Scotland

Talley Services, Inc.
Scottsdale, Arizona

Universal Propulsion Company, Inc.
Phoenix, Arizona

Wenicke, U.S.
Norcross, Georgia

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York, Boston, Philadelphia

Ticker Symbol: TAL

Number of Employees:

1982	5,300	1980	7,800
1981	6,500		

Plant Footage:

1981 . . . . . . 4,342,000 sq. ft. 1980 4,716,000

Sales and Earnings

	Net Sales +	Net Income
1982	$ 311,425,000	$ (7,256,000)
1981	376,765,000	(4,304,000)
1980	396,142,000	(5,870,000)
1979	433,190,000	10,495,000
1978	404,740,000	16,735,000

	No. of Com. Shares	Earn. per Share †
1982	4,813,000	$ —
1981	4,811,000	—
1980	4,810,000	—
1979	6,910,000	1.52
1978	6,782,000	2.47

(Loss)
+ Of continuing operations only.
† Based on average number of shares outstanding.

Revenues By Line of Business
(000's)

	1982	1981
Instrumentation prods:		
Clocks & watches	$ 118,308	$ 134,126
Apparel	73,014	87,757
Specialty prods.	40,731	51,137
Government prods. & services	72,561	58,460
Realty	6,811	45,285
	$ 311,425	$ 376,765

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$ —	—	—
1981	—	—	—
1980	0.75	—	—
1979	1.00	—	—
1978	0.77	—	—

Common Stock Equity

	Total Equity *	Equity Per Share
1982	$ 36,061,000	$ 7.49
1981	45,365,000	9.43
1980	51,574,000	10.73
1979	62,717,000	13.10
1978	51,739,000	11.94

* After allowing for preferred stock at total involuntary liquidation preference value.

Income Account *
(000's)

Year ended March 31	1982	1981
Net sales	$ 311,425	$ 376,765
Cost of sales	246,245	307,220
Expenses	66,169	75,131
Other income	(3,919)	(8,824)
Interest expense	10,138	11,731
Interest capitalized	(78,000)	—
Loss before taxes	$ (7,130)	$ (8,493)
Income taxes (credit)	126	(4,189)
Net Loss	$ (7,256)	$ (4,304)

* Included in Costs and Expenses, Depreciation and Amortization: $6,522,000 in 1982 and $6,486,000 in 1981.

Assets
(000's)

As of March 31	1982	1981
Cash	$ 3,039	$ 3,208
Marketable securities	24,705	12,729
Accts. receiv., net	45,771	64,813
*Inventories	73,908	73,537
Deferred inc. taxes	1,929	3,159
Prepaid expenses	2,351	3,567
Current Assets	$ 151,703	$ 161,013
Investments & advances	4,022	6,473
Long-term receiv.	14,771	13,270
#Fixed assets	24,478	29,037
Defer. charges & other assets	801	850
Intangibles	5,903	7,200
Total Assets	$ 201,678	$ 217,843

Liabilities
(000's)

Notes payable	$ 2,460	$ 1,305
Long-term debt, curr.	1,669	2,432
Realty debt	4,951	—
Accts. payable	16,161	17,927
Accruals	27,317	27,855
Deferred realty sales	—	2,915
Curr. Liabilities	$ 52,558	$ 52,434
Long-term debt	64,034	70,069
Deferred inc. taxes	1,579	1,354
Other liabilities	5,819	6,988
+ Preferred stock:		
Series A	187	187
Series B	1,848	1,848
+ + Common stock	4,872	4,872
Add. paid-in capital	40,469	40,469
Retained earnings	30,912	40,222
Treasury stock	(600)	(600)
Total Liabilities & Shareholders' Equity	$ 201,678	$ 217,843

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value, cumulative convertible.
+ + $1 par value.

Statistical Summary

Sales to Inventories	4.21	5.63
Working Capital	$99,145,000	$105,108,000
Current Ratio	2.89	3.12
Shareholders' Equity	$77,688,000	$ 86,998,000

Tandem Computers Incorporated

19333 Vallco Parkway
Cupertino, California 95014
(408) 725-6000

Officers: Thomas J. Perkins, chairman of the board; James G. Treybig, president & chief executive officer; Robert C. Marshall, sr. v.p. & chief operating officer; Michael D. Green, sr. v.p.; Lawrence A. Laurich, v.p.-engineering; David R. Mackie, v.p.-headquarters marketing; Henry V. Morgan, v.p., secretary & controller; Charles W. Ryle, v.p.; Jeanne D. Wohlers, v.p., treasurer & asst. secretary.

Directors: Thomas J. Perkins*, Morton Collins, Thomas J. Davis, Jr.*, Franklin P. Johnson, Jr., Eugene Kleiner, Robert C. Marshall, Alvin C. Rice, Robert G. Stone, Jr., James G. Treybig*.

*Member of the Executive Committee.

Tandem Computers Incorporated

Areas of Work: Designs, develops, manufactures, markets and services multiple processor computer systems solely dedicated to on-line transaction processing and software. The Tandem NonStop System eliminates the risk of system failures and protects the customer's data base from damage caused by electronic hardware malfunctions.

Operating Units:

Eastern Division
One Penn Plaza
New York, New York 10119

Central Division
1827 Walden Office Square
Schaumberg, Illinois 60195

Western International Division
245 Santa Ana Court
Sunnyvale, California 94086

Tandem Computers Canada Limited
180 Duncan Mill Road
Don Mills, Ontario M3B 1Z6
Canada

Tandem Computers Limited
Poel House, 32-34 Church Road
Northolt, Middlesex UB5 5AB
England

Tandem Computers S.A.
1, Place des Etats-Unis
Silic 255
94568 Rungis Cedex, France

Tandem Computers GmbH
Bernerstrasse 34
6000 Frankfurt/Main 56
Germany

Tandem Computers A.B.
Industrivagen 20 2TR
S-171 48 Solna
Sweden

Tandem Computers Italia S.p.A.
Via del Ghisallo 20
Milan, Italy

Tandem Computers Japan Limited
3-1-1 Hagashi Ikebukuro
Toshima-ku
Tokyo, Japan

Tandem Computers B.V.
Koningin Juliana Plein 30-20
2595 AA The Hague, Netherlands

Tandem Computers AG
Zweierstrasse 138
8003 Zurich, Switzerland

Tandem Computers (Hong Kong) Limited
Kowloon, Hong Kong

Tandem Computers International Inc.
Singapore

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TNDM (NASDAQ)

Number of Employees:

1981	2,731	1979	828
1980	1,387	1978	446

Sales and Earnings

	Revenues	Net Income †
1981	$ 208,397,000	$ 26,549,000
1980	108,989,000	10,687,000
1979	55,974,000	4,920,000
1978	24,305,000	3,371,000
1977	7,692,000	325,000

	No. of Com. Shares #	Earn per Share †#
1981	37,025,000	$ 0.72
1980	30,241,000	0.35
1979	25,070,000	0.20
1978	21,540,000	0.16
1977	16,080,000	0.02

† Including extraordinary gains of $1,218,000 ($0.17 per share) in 1978 and $167,000 ($0.03 per share) in 1977.

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-1
1980	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 204,810,000	$ 5.53
1980	70,294,000	2.32
1979	31,530,000	1.26
1978	15,538,000	0.72
1977	2,735,000	0.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Revenues	$ 208,397	$ 108,989
Cost of revenues	75,547	40,831
Prod. develop.	17,833	8,786
Expenses	74,626	40,049
Interest income	(10,707)	(1,759)
Income before taxes	$ 51,098	$ 21,082
Income taxes	24,549	10,395
Net Income	$ 26,549	$ 10,687

* Included in Costs and Expenses, Depreciation and Amortization: $4,107,000 in 1981 and $2,547,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash	$ 9,377	$ 9,265
Cash invest.	80,429	6,980
Accts. receiv., net	70,671	42,552
*Inventories	54,543	20,901
Prepaid expenses	5,046	1,965
Current Assets	$ 220,066	$ 81,663
#Fixed assets	35,905	14,038
Total Assets	$ 255,971	$ 95,701

Liabilities
(000's)

Cap. lease oblig., curr.	$ 682	$ 476
Accts. payable	23,634	11,063
Accruals	6,373	3,216
Accrued inc. taxes	10,275	5,676
Curr. Liabilities	$ 40,964	$ 20,431
Cap. lease oblig.	2,054	1,651
Deferred inc. taxes .	8,143	3,325
+Common stock	910	251
Add. paid-in capital	161,468	53,555
Retained earnings	42,432	16,488
Total Liabilities & Shareholders' Equity	$ 255,971	$ 95,701

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Revenues	24.52	19.34
%Net Income to Revenues	12.74	9.81
%Net Income to Equity	12.96	15.20
Working Capital	$179,102,000	$61,232,000
Current Ratio	5.37	4.00
Shareholders' Equity	$204,810,000	$70,294,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Officers: Phil R. North, chairman of the board; John V. Roach, president & chief executive officer; John McDaniel, senior v.p. & controller; Charles W. Tindall, Jr., senior v.p. & treasurer; Herschel C. Winn, sr. v.p. & secretary; Billy R. Roland, Lloyd Turner, v.p.'s; Bernard Appel, Robert Keto, exec. v.p.'s-Radio Shack; Donald L. Bock, asst. treasurer; Louis G. Neumann, asst. secretary.

Directors: Phil R. North, chairman; William C. Conner, Lawrence E. Dempsey, William T. Smith, Alfred J. Stein, Jesse L. Upchurch, John A. Wilson, Robert R. Lowdon, G.R. Nugent, Donald L. Bryant, John V. Roach.

Areas of Work: Manufactures minicomputers and various other consumer electronics products in 28 factories in 5 different countries. The Lika subsidiary manufactures printed circuit boards.

Divisions and Subsidiaries:

Radio Shack Division
Tandy International Electronics
Tandy Electronics Manufacturing
A & A International Trading Companies
Tandy Computer Leasing
Tandy Life Insurance Company
Lika Corporation

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Fort Worth National Bank
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Employees:

1981	26,000	1978	20,000
1980	22,000	1977	18,000
1979	20,700		

Plant Footage:

1981	1,880,793 sq. ft.	1978	1,227,000
1980	1,600,000	1977	1,110,000
1979	1,385,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,691,373	$ 169,602
1980	1,384,637	112,235
1979	1,215,483	83,229
1978	1,059,324	66,146
1977	949,267	69,042

	No. of Com. Shares ‡	Earn. per Share ‡
1981	102,578,000	$ 1.65
1980	103,644,000	1.12
1979	106,004,000	0.81
1978	96,136,000	0.69
1977	132,336,000	0.52

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1
1980	—	—	2-for-1
1979	—	—	—
1978	—	—	2-for-1
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 571,863,000	$ 5.57
1980	283,125,000	2.73
1979	208,353,000	1.97
1978	138,996,000	1.45
1977	164,337,000	1.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1981	1980
Net sales	$ 1,691,373	$ 1,384,637
Other income	15,697	11,360
Total Income	$ 1,707,070	$ 1,395,997
Cost of sales	701,777	594,841
Expenses	645,934	546,325
Depreciation & amortization	23,288	19,110
Interest expense	15,454	25,063
Income before taxes	$ 320,617	$ 210,658
Income taxes	15,015	98,423
Net Income	$ 169,602	$ 112,235

Assets
(000's)

As of June 30	1981	1980
Cash	$ 141,994	$ 56,365
Accts. & notes receiv., net	42,088	25,725
*Inventories	513,709	435,160
Other assets	11,416	13,809
Current Assets	$ 709,207	$ 531,059
#Fixed assets	190,429	165,140
Other assets	11,416	14,099
Total Assets	$ 936,545	$ 710,298

Liabilities
(000's)

	1981	1980
Notes payable	$ 34,862	$ 25,918
Accts. payable	54,560	58,926
Accruals	67,206	59,170
Income taxes	47,152	24,703
Curr. Liabilities	$ 203,780	$ 168,717
Long-term debt	3,903	6,523
Subord. deb.	122,428	122,221
Conv. sub. 6½% deben.	—	99,954
Store mgr. deposits	11,972	14,045
Other liabilities	10,530	6,811
Deferred inc. taxes	12,069	8,902
+ Common stock	105,645	25,152
Add. paid-in capital	16,523	33,992
Retained earnings	467,020	297,418
Treasury stock	(17,325)	(73,437)
Total Liabilities & Shareholders' Equity	$ 936,545	$ 710,298

* At lower of cost (primarily average cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.96	15.21
%Net Income to Sales	10.03	8.11
%Net Income to Equity	19.66	39.64
Sales to Inventories	3.29	3.18
Working Capital	$505,427,000	$362,342,000
Current Ratio	3.48	3.15
Shareholders' Equity	$571,863,000	$283,125,000

T-Bar Incorporated

141 Danbury Road
Post Office Box T
Wilton, Connecticut 06897
(203) 834-8227

Officers: A. Henry Morgan, chairman of the board & chief executive officer; James B. Lambert, president & chief operating officer; L. Lloyd Bond, v.p.-market planning; Thomas J. Infantino, v.p.-sales; Walter R. Jonsson, v.p. & division mgr.-VSM, Raymond Mazurek, v.p.-technical operations; John P. Ponziani, v.p.-corporate planning & administration; Gerrit J. Rohner, v.p.-manufacturing; L.J. Seiden, v.p.-research & engineering; Eckart G. Vollmer, v.p.-finance & chief financial officer; Evelyn R. Yoder, corporate secretary.

Directors: A. Henry Morgan, chairman; James W. Deer, James B. Lambert, Julian Rogoff.

Areas of Work: Manufactures high-density, multi-pole T-Bar relays and switches, as well as complete switching systems for data processing, data, and telecommunications.

Transfer Agent(s):

Union Trust Company
300 Main Street
Stamford, Connecticut 06904

Bradford Trust Company
2 Broadway
New York, New York 10004

Stock Exchange(s): American

Ticker Symbol: TBR (NASDAQ)

Number of Employees:

1981	547	1978	350
1980	479	1977	213
1979	430		

Plant Footage:

1981	100,000 sq. ft.	1978	71,000
1980	74,000	1977	28,000
1979	74,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 30,406,982	$ 1,943,912
1980	23,563,196	1,096,301
1979	18,545,481	1,533,562
1978	12,667,069	1,076,562
1977	9,359,358	725,164

	No. of Com. Shares #	Earn. per Share #‡
1981	2,036,000	$ 0.95
1980	2,700,000	0.53
1979	1,976,250	0.78
1978	1,745,625	0.62
1977	1,603,731	0.45

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Based on weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4
1980	—	—	—
1979	—	—	7-for-5
1978	—	—	5-for-4
1977	—	—	6-for-5

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 11,927,827	$ 5.86
1980	9,668,960	4.67
1979	8,285,876	4.19
1978	3,780,836	2.17
1977	2,444,494	1.52

† Restated to reflect change in accounting method.
‡ Adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net Sales	$ 30,406,982	$ 23,563,196
Cost of sales	17,753,892	14,075,854
Expenses	8,914,799	6,642,472
Oper. profit	$ 3,738,291	$ 2,844,870
Interest expense	1,180,879	817,323
Income before taxes	$ 2,557,412	$ 2,027,547
Income taxes	613,500	931,246
Net Income	$ 1,943,912	$ 1,096,301

‡ Restated to reflect change in accounting method.
* Included in Costs and Expenses, Depreciation and Amortization: $688,337 in 1981 and $643,513 in 1980.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 1,196,141	$ 434,327
Accts. receiv., net	8,053,901	6,586,503
*Inventories	11,402,978	8,824,222
Prepaid expenses	413,694	117,092
Current Assets	$ 21,066,714	$ 15,962,144
#Fixed assets	2,836,413	1,973,164
Equip. on oper. leases	2,499,595	2,750,691
Other assets	387,462	229,480
Total Assets	$ 26,790,184	$ 20,915,479

Liabilities

	1981	1980 ‡
Short-term borrowings	$ —	$ 2,260,000
Long-term debt. curr.	143,206	164,746
Accts. payable	4,172,000	2,926,038
Advances	1,022,428	1,380,216
Accruals	998,495	725,157
Income taxes	723,159	553,549
Oblig. under cap. leases	46,959	—
Curr. Liabilities	$ 7,106,247	$ 8,009,706
Long-term debt	6,468,000	1,610,201
Deferred inc. taxes	310,564	342,880
Oblig. under cap leases	645,066	—
Advances	332,480	1,283,732
+ Common stock	511,526	399,649
Add. paid-in capital	4,941,165	4,842,338
Retained earnings	6,687,576	4,855,490
Deferred comp.	(201,211)	(426,488)
Treasury stock	(2,329)	(2,229)
Total Liabilities & Shareholders' Equity	$ 26,790,184	$ 20,915,479

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.41	8.60
%Net Income to Sales	6.39	4.65
%Net Income to Equity	16.30	11.34
Sales to Inventories	2.67	2.67
Working Capital	$13,960,467	$7,952,438
Current Ratio	2.96	1.99
Shareholders' Equity	$11,927,827	$9,668,960

TEC, Incorporated

2727 North Fairview Avenue
P.O. Box 5646
Tucson, Arizona 85703
(602) 792-2230

Officers: Don V. Hamilton, chairman of the board & chief executive officer; Byron C. Hamilton, president & chief operating officer; W.H.J. Selders, exec. v.p., treasurer & secretary; Barry A. Hamilton, v.p.-manufacturing, component group; Bruce M. Hamilton, v.p. & gen. mgr., component group; Ivan D. Schlaefer, v.p.-human resources; William P. Perry, v.p.-purchasing; William E. Wallin, corp. controller.

Directors: Don V. Hamilton, chairman; Byron C. Hamilton, Edward B. Grayden, Hayward A. Gay, Kelvin T. Bacon, Louis H. Schuette, W.H.J. Selders.

Areas of Work: Manufacturer of electronic data processing and computer industry components, consisting of CRT terminals, floppy disc memory systems, switches, indicator lights, keyboards, subcontract products, and digital readouts.

Divisions:

Components Division
Tucson, Arizona 85705
Produces Tec-Lite TM switches, indicators and readouts; keyboards, Data-Monitor TM annunciators; Data-Panel displays for the data processing and control industry.

Peripheral Division
Tucson, Arizona 85704
Develops and manufactures computer input/output Data-Screen terminals, and subcontract products.

Transfer Agent(s):

First National Bank of Arizona
P.O. Box 1871
Tucson, Arizona 85702

Stock Exchange(s): American

Ticker Symbol: TCK

Number of Employees:

1981	642	1978	341
1980	371	1977	277
1979	311		

Plant Footage:

1981	150,000 sq. ft.	1978	150,000
1980	150,000	1977	150,000
1979	150,000		

Sales and Earnings

	Net Sale	Net Income
1981	$ 19,012,000	$ 179,000
1980	15,641,000	208,000
1979	16,204,000	832,000
1978	13,754,000	778,000
1977	12,006,000	1,001,000

	No. of Com. Shares	Earn. per Share †
1981	825,151	$ 0.22
1980	825,151	0.25
1979	825,151	1.01
1978	825,151	0.94
1977	825,151	1.22

† Adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.08	—	—
1980	0.24	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.40	20%	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 5,676,000	$ 6.88
1980	5,563,000	6.74
1979	5,552,795	6.73
1978	5,051,000	6.12
1977	4,603,000	5.58

Income Account *

Year ended June 30	1981	1980
Net sales	$ 19,012,000	$ 15,641,000
Cost of sales	14,346,000	11,851,000
Expenses	3,874,000	3,234,000
Oper. profit	$ 792,000	$ 556,000
Other income	82,000	95,000
Total	$ 874,000	$ 651,000
Interest expense	585,000	396,000
Income before taxes	$ 289,000	$ 255,000
Income taxes	110,000	47,000
Net Income	$ 179,000	$ 208,000

* Included in Costs and Expenses, Depreciation: $346,000 in 1981 and $371,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 583,000	$ 672,000
Receivables, net	3,660,000	2,968,000
*Inventories	3,983,000	4,051,000
Prepaid expenses	28,000	37,000
Current Assets	$ 8,254,000	$ 7,728,000
#Fixed assets	3,482,000	3,613,000
Other assets	314,000	208,000
Total Assets	$ 12,050,000	$ 11,549,000

Liabilities

Notes payable	$ 1,800	$ 1,300
Long-term debt, curr.	307,000	282,000
Accts. payable	1,070,000	1,407,000
Accruals	1,151,000	702,000
Dividends payable	17,000	17,000
Income taxes	173,000	109,000
Curr. Liabilities	$ 4,518,000	$ 3,817,000
Long-term debt	1,629,000	1,917,000
Deferred inc. taxes	227,000	252,000
+Common stock	165,000	165,000
Add. paid-in capital	1,392,000	1,392,000
Retained earnings	4,119,000	4,006,000
Total Liabilities & Shareholders' Equity	$ 12,050,000	$ 11,549,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.52	1.63
%Net Income to Sales	0.94	1.33
%Net Income to Equity	3.15	3.74
Sales to Inventories	4.77	3.86
Working Capital	$3,736,000	$3,911,000
Current Ratio	1.83	2.02
Shareholders' Equity	$5,676,000	$5,563,000

Tech Serv, Inc.

5301 Holland Drive
Beltsville, Maryland 20705
(301) 474-2900

Officers: Frank L. Goodwin, Jr., president; Ronald C. Ray, v.p.-engineering; Dennis M. Grady, v.p.-military systems marketing; Eli W. Fleming, v.p.-finance, secretary & treasurer.

Directors: Eli W. Fleming, Frank L. Goodwin, Jr., Ronald C. Ray, William M. Stevens, Fred M. Marks.

Areas of Work: Manufactures electronic controls and electromechanical systems used in the life science research and education fields and radio-controlled miniature aerial target systems and radio controls which are used in guidance of miniature aircraft and other applications.

Divisions and Subsidiaries:

BSR/LVE Division
Beltsville, Maryland 20705
(301) 474-3400

Industrial Controls Division
Beltsville, Maryland 20705
(301) 474-2900

RS Systems
Beltsville, Maryland 20705
(301) 474-2900
Tech Serv International, Inc. (DISC)
A domestic international sales corporation.

Transfer Agent(s):

Maryland National Bank
225 North Calvert Street
Baltimore, Maryland 21203

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	100

Plant Footage:

1981	28,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1981	$ 2,633,650	$ 19,196
1980	1,917,574	(19,704)
1979	1,793,409	151,557
1978	1,188,166	(275,538)
1977	1,616,138	(293,210)

	No. of Com. Shares ‡	Earn. per Share ‡ †
1981	570,316	$ 0.03
1980	556,566	—
1979	553,944	0.27
1978	553,566	—
1977	553,566	—

(Loss)
† Including extraordinary gains of $13,219 ($0.02 per share) in 1981 and $12,708 ($0.02 per share) in 1979.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 127,911	$ 0.22
1980	105,363	0.19
1979	124,032	0.22
1978	(27,525)	—
1977	n.a.	n.a.

(Deficiency)
n.a.— Not available.
† Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 2,633,650	$ 1,917,574
Cost of sales	1,985,234	1,413,357
Expenses	531,128	471,935
Interest expense	89,710	101,343
Other income	(18,063)	(809)
Sale of land	—	(48,548)
Inc. (loss) bef. taxes	$ 45,641	$ (19,704)
Income taxes	13,219	—
Cum. effect of acct. change	26,445	—
Net Income (Loss)	$ 5,977	$ (19,704)
Extraord. gain	13,219	—
Net Income (Loss) & extraord. gain	$ 19,196	$ (19,704)

* Included in Costs and Expenses, Depreciation: $28,375, 1981 and $30,120 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 79,414	$ 23,715
Accts. receiv., net	491,245	241,700
* Inventories	360,689	480,408
Prepaid expenses	51,948	30,785
Current Assets	$ 983,296	$ 776,608
#Fixed assets	287,572	299,100
Other assets	8,527	8,853
Total Assets	$ 1,279,395	$ 1,084,561

Liabilities

	1981	1980
Long-term debt, curr.	$ 92,585	$ 87,961
Accts. payable	256,210	168,030
Accruals	84,598	27,943
Accrued payroll	92,479	146,683
Taxes	6,603	7,549
Billings	89,000	—
Curr. Liabilities	$ 621,475	$ 438,166
Long-term debt	530,009	541,032
+Common stock	62,923	61,548
Add. paid-in capital	1,135,243	1,133,266
Deficit	(1,019,500)	(1,038,696)
Treasury stock	(50,755)	(50,755)
Total Liabilities & Shareholders' Equity	$ 1,279,395	$ 1,084,561

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	1.73	—
%Net Income to Sales	0.23	—
%Net Income to Equity	4.67	—
Sales to Inventories	7.30	3.99
Working Capital	$361,821	$338,442
Current Ratio	1.58	1.77
Shareholders' Equity	$127,911	$105,363

Technical Communications Corporation

56 Winthrop Street
P.O. Box 1070
Concord, Massachusetts 01742
(617) 862-6035

Officers: Arnold M. McCalmont, president; Herbert A. Lerner, treasurer; Edward E. Hicks, secretary & clerk.

Directors: Edward E. Hicks, Dean L. Kellogg, Robert L. Rosbe, Jr., Herbert A. Lerner, Arnold M. McCalmont.

Areas of Work: Involved in the design, development and sale of communications security devices, data modulators and demodulators, signaling and supervisory control communication equipment and computer interface equipment.

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	49	1978	40
1980	47	1977	40
1979	43		

Plant Footage:

1981	12,600 sq. ft.	1978	12,600
1980	12,600	1977	12,600
1979	12,600		

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,386,771	$ 100,513
1980	2,129,942	49,573
1979	1,535,332	78,141
1978	1,670,075	126,998
1977	1,602,678	119,917

	No. of Com. Shares	Earn. per Share #
1981	541,827	$ —
1980	534,827	0.09
1979	534,827	0.15
1978	518,127	0.25
1977	518,127	0.23

Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,173,725	$ 2.17
1980	1,067,052	2.00
1979	1,016,783	1.90
1978	932,296	1.80
1977	805,297	1.55

Income Account *

Year ended Aug. 31	1981	1980
Net sales	$ 2,386,771	$ 2,129,942
Cost of sales	1,157,586	1,045,936
Expenses	1,134,768	1,049,022
Oper. income	$ 94,417	$ 34,984
Other income	32,996	27,689
Income before taxes	$ 127,413	$ 62,673
Income taxes	26,900	13,100
Net Income	$ 100,513	$ 49,573

* Included in Costs and Expenses, Depreciation: $24,836 in 1981 and $16,911 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 77,745	$ 45,648
Accts. receiv., net	803,849	296,065
Short-term investments	258,217	—
* Inventories	356,194	841,022
Prepaid expenses	6,307	5,881
Refundable taxes	38,745	55,617
Current Assets	$ 1,541,057	$ 1,244,233
Investments	909	909
Cash value of life ins.	2,473	36,055
#Fixed assets	166,189	83,345
Deferred income taxes	6,453	653
Intangibles	287	287
Unamort. organiz. exp.	81	204
Loan receivable	37,038	—
Total Assets	$ 1,754,487	$ 1,365,686

Liabilities

	1981	1980
Accts. payable	$ 138,006	$ 106,712
Accruals	262,811	173,357
Customers' advances	135,780	—
Deferred inc. taxes	6,165	565
Curr. Liabilities	$ 542,762	$ 280,634
+Common stock	54,183	53,483
Add. paid-in capital	746,022	740,562
Retained earnings	373,520	273,007
Total Liabilities & Shareholders' Equity	$ 1,754,487	$ 1,365,686

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	5.34	2.94
%Net Income to Sales	4.21	2.33
%Net Income to Equity	8.56	4.65
Sales to Inventories	4.29	2.53
Working Capital	$ 998,295	$ 963,599
Current Ratio	2.84	4.43
Shareholders' Equity	$1,173,725	$1,067,052

The Technical Materiel Corporation

700 Fenimore Road
Mamaroneck, New York 10543
(914) 698-4800

Officers: E.J. Hofman, president; Frank Budetti, v.p.; Ray H. dePasquale, treasurer; Ruth S. Taylor, secretary.

Directors: R.H. de Pasquale, E.J. Hofman, F. Budetti, G.W. Jennings, D.C. MacDonald.

Areas of Work: Manufactures electronic communications equipment including antenna multi-couplers and synthesized tranceivers, and transmitters.

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,344,376	$ 92,349
1980	2,925,379	223,263
1979	1,743,090	(272,372)

	No. of Com. Shares	Earn. per Share †
1981	2,847,704	$ 0.03
1980	2,847,704	0.08
1979	2,847,704	—

(Loss)
† Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 830,082	$ 0.29
1980	741,591	0.26
1979	518,328	0.18

Income Account *

Year ended Sept.30	1981	1980
Net sales	$ 2,344,376	$ 2,925,379
Cost of sales	973,706	1,368,846
Expenses	1,048,963	1,112,879
Interest expense	267,533	238,875
Other income	(38,175)	(18,484)
Net Income	$ 92,349	$ 223,263

The Technical Materiel Corporation

* Included in Costs and Expenses, Depreciation and Amortization: $41,258, in 1981 and $46,544 in 1980.

Assets

As of Sept.30		1981		1980
Cash	$	52,485	$	96,132
Accts. receiv., net		405,877		404,626
*Inventories		2,925,905		2,922,179
Prepaid expenses		72,011		54,836
Current Assets	$	3,456,278	$	3,477,773
#Fixed assets		669,716		728,171
Other assets		598,321		607,880
Total Assets	$	4,724,315	$	4,813,824

Liabilities

Notes payable	$	1,120,000	$	1,019,000
Indebtedness to bank		79,795		97,000
Demand notes payable		1,550,000		1,510,000
Accts. payable		259,307		430,900
Accrued inc. taxes		2,295		5,321
Other accrued taxes		140,303		208,627
Mortg.& notes pay.,curr.		62,669		58,682
Curr. Liabilities	$	3,214,369	$	3,329,530
Long-term debt		679,864		742,703
+Common stock		355,963		355,963
Add. paid-in capital		6,924,042		6,924,042
Accumulated deficit		(6,446,065)		(6,538,414)
Translation adjustment		(3,858)		—
Total Liabilities & Shareholders' Equity	$	4,724,315	$	4,813,824

* At lower of cost average or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

%Net Income to Sales	3.94	7.63
%Net Income to Equity	11.13	30.11
Sales to Inventories	0.80	1.00
Working Capital	$241,909	$148,243
Current Ratio	1.08	1.04
Shareholders' Equity	$830,082	$741,591

Technitrol, Inc.

Suite 1606
Two Penn Center Plaza
Philadelphia, Pennsylvania 19102
(215) 426-9105

Officers: Roy E. Hock, chairman & president; William J. McDermott, v.p.-finance & treasurer; James M. Papada, III, secretary; Robert J. Citrino, controller.

Directors: Roy E. Hock,chairman; William J. McDermott, Gordon Palmer, Jr., Frank K. Kelemen, J. Barton Harrison, Edwin S. Eichert, III.

Areas of Work: Manufactures power transformers, pulse transformers, delay lines, electronic scales, electronic force measuring instruments and electronic components.

Divisions:

Components Division
Philadelphia & Petersburg, Pennsylvania
Greensboro, Maryland

Products Division
1952 East Allegheny Avenue
Philadelphia, Pennsylvania 19134

Subsidiaries:

Advanced Metallurgy, Inc.
1028 E. Smithfield Street
McKeesport, Pennsylvania 15135
(412) 751-5311
Manufactures electrical contacts for circuit breakers and semiconductor devices.

John Chatillon & Sons, Inc.
83-30 Kew Gardens Road
Kew Gardens, New York 11415
(212) 847-5000
Manufactures scales, force measuring instruments, and springs.

Technitrol International, Inc.
Wilmington, Delaware

Transfer Agent(s):

Industrial Valley Bank and Trust Co.
Philadelphia, Pennsylvania

Continental Stock Transfer Co., Inc.
New York, New York

Stock Exchange(s): American

Ticker Symbol: TNL

Number of Employees:

1980	890	1977	1,030
1979	960	1976	964
1978	875		

Plant Footage:

1980	279,000 sq.ft.	1977	259,000
1979	259,000	1976	259,000
1978	259,000		

Sales and Earnings

		Net Sales +		Net Income
1981	$	29,036,000	$	1,213,000
1980		24,692,000		1,107,000
1979		22,073,000		908,000
1978		18,948,000		1,282,000
1977		14,590,000		1,731,000

	No. of Com. Shares	Earn per Share ‡
1981	1,119,260	$ 1.08
1980	1,114,410	1.00
1979	1,099,285	0.68
1978	1,355,735	0.95
1977	1,352,785	1.28

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

		1981		1980
Electronic products	$	5,663	$	5,163
Electrical products		12,545		10,360
Mechanical products		7,419		6,199
Services		3,409		2,970
Total	$	29,036	$	24,692

Common Stock Equity

		Total Equity	Equity Per Share
1981	$	11,149,000	$ 9.96
1980		10,309,000	9.25
1979		9,464,000	8.61
1978		10,274,000	7.58
1977		9,200,000	6.80

Income Account *

Year ended Dec. 31		1981		1980
Net sales	$	29,036,000	$	33,475,000
Cost of sales		20,693,000		25,724,000
Expenses		4,651,000		5,728,000
Other income		(290,000)		(131,000)
Income before taxes	$	3,982,000	$	2,755,000
Income taxes		1,872,000		1,258,000
Income from cont. oper.	$	2,110,000	$	1,497,000
Loss from discont. oper.		(897,000)		(390,000)
Net Income	$	1,213,000	$	1,107,000

* Included in Costs and Expenses, Depreciation and Amortization: $495,000 in 1981 and $411,000 in 1980.

Assets

As of Dec. 31		1981		1980
Cash	$	2,079,000	$	496,000
Accts. & notes receiv., net		5,518,000		5,284,000
*Inventories		4,941,000		6,210,000
Prepaid expenses		153,000		72,000
Current Assets	$	12,691,000	$	12,062,000
#Fixed assets		2,628,000		2,567,000
Other assets		169,000		178,000
Total Assets	$	15,488,000	$	14,807,000

Liabilities

Notes payable	$	250,000	$	300,000
Long-term debt, curr.		18,000		15,000
Accts. payable		1,234,000		2,106,000
Accruals		1,114,000		1,012,000
Income taxes		643,000		191,000
Dividends payable		90,000		83,000
Curr. Liabilities	$	3,568,000	$	3,707,000
Long-term debt.		449,000		467,000
Deferred inc. taxes		322,000		324,000
+Common stock		187,000		186,000
Add. paid-in capital		1,503,000		1,475,000
Retained earnings		11,272,000		10,417,000
Treasury stock		(1,813,000)		(1,769,000)
Total Liabilities & Shareholders' Equity	$	15,488,000	$	14,807,000

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

% Income bef. Taxes to Revenues	13.71	8.23
% Net Income to Revenues	4.18	3.31
% Net Income to Equity	10.88	10.74
Sales to Inventories	5.88	5.39
Working Capital	$ 9,123,000	$ 8,355,000
Current Ratio	3.56	3.25
Shareholders' Equity	$11,149,000	$10,309,000

Technology Incorporated

1115 Talbott Tower
Dayton, Ohio 45402
(513) 224-9066

Officers: Maurice F. Krug, chairman of the board & president; Arthur P. Denmun, division v.p. & gen. mgr.-Industrial Products Division; T. Wayne Holt, corp. v.p. & president-Aerospace Group; Betty Anglea Krug, v.p. administration.; James A. Riley, subsidiary v.p. & gen. mgr.-Technology/Scientific Services, Inc.; J. Richard Swanson, v.p.-finance & treasurer; Evelyn B. Walker, tax manager/internal auditor.

Directors: Maurice F. Krug*, John W. Berry*, Jack B. Merrell, James J. Mulligan*, Marvin E. Bruce, Victor J. Cassano, Sr., William J. Hoben, James B. Scott, Sr.

*Members of Executive Committee.

Divisions and Subsidiaries:

Life Sciences Division
Houston, Texas 77058
(713) 488-5970
Biomedical research and development in the life science, particularly physiology, vision and biochemistry; medical systems research, quality control of production chemicals, development and marketing of freeze-dried foods.

Instruments and Controls Division
P.O. Box 3036, Overlook Branch
Dayton, Ohio 45431
(513) 426-2405
Interdisciplinary research and development in flight dynamics aeropropulsion, gas dynamics, solid rocket technology, bioastronautics, nuclear effects, avionics, bioengineering, op-

tics, and instrumentation data acquisition, reduction and analysis; electronic systems design and fabrication. Design, manufacture and marketing of scientific instruments for biomedical research, mass flow measurement of gases, and environmental measurement and control. Manufacture of electric annunciators, alarm systems, sequential event recorders and special purpose control equipment for industrial and public utility power plants and other process controls.

Dempster Systems Inc.
P.O. Box 3127
Knoxville, Tennessee 37917
(615) 637-3711
Manufactures systems for the removal of solid waste.

Acquisition(s):

Industrial Products Division
335 North Griffin Street
Grand Haven, Michigan 49417
(616) 846-2020
Custom fabrication, roll forming and porcelain enameling of industrial metal products; manufacturing of stainless steel animal holding facilities, and other proprietary products, including solid waste dehydration systems.

Technology/Scientific Services, Inc.
P.O. Box 3065
Overlook Branch
Dayton, Ohio 45431

Dempster Systems, Inc.
Knoxville, Tennessee 37917

Transfer Agent(s):

Winters National Bank & Trust Co.
Winters Bank Tower
Dayton, Ohio 45401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TNLG (NASDAQ)

Number of Employees:

1981	707	1978	379
1980	357	1977	487
1979	399		

Sales and Earnings

	Revenues	Net Income
1981	$ 29,474,000	$ 145,859
1980	23,640,000	432,222
1979	21,266,000	558,428
1978	22,164,000	443,679
1977	18,972,000	672,830

	No. of Com. Shares	Earn. per Share #
1981	622,769	$ 0.22
1980	651,107	0.64
1979	776,257	0.72
1978	787,757	0.55
1977	839,351	0.77

# Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Aerospace products	$ 9,454,791	$ 7,785,000
Industrial products	19,876,117	15,714,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.05	—	—
1980	0.05	—	—
1979	0.03	—	—
1978	0.03	—	—
1977	0.02	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 5,087,868	$ 8.17
1980	5,109,380	7.85
1979	5,427,575	6.99
1978	4,941,047	6.27
1977	4,732,892	5.64

Income Account *

Year ended June 30	1981	1980
Revenues	$ 29,474,190	$ 23,639,690
Cost of sales	25,351,558	21,151,719
Expenses	2,306,888	1,111,671
Depreciation	556,733	365,154
Interest expense	800,014	250,924
Income before taxes	$ 458,997	$ 760,222
Income taxes	310,000	328,000
Net Income before minority interest	$ 148,997	$ 432,222
Minority interest	3,138	—
Net Income	$ 145,859	$ 432,222

Assets

As of June 30	1981	1980
Cash	$ 333,396	$ 1,406,188
Accts. receiv., net	6,668,601	2,995,027
*Inventories	6,893,052	1,700,771
Prepaid expenses	38,309	85,272
Deferred income tax	—	213,287
Current Assets	$ 13,933,358	$ 6,400,545
#Fixed assets	6,761,723	3,352,315
Other assets	786,371	422,244
Total Assets	$ 21,481,452	$ 10,175,104

Liabilities

Long-term debt, curr.	$ 55,771	$ 475,483
Accts. payable	1,849,110	649,636
Accruals	1,915,246	895,207
Cust. advance payments	226,023	496,316
Income taxes	27,408	346,344
Deferred income taxes	188,927	—
Curr. Liabilities	$ 4,262,485	$ 2,862,986
Long-term debt	4,023,632	1,927,632
Subordinated long-term debt	7,713,150	—
Deferred inc. taxes	296,179	275,106
Shareholders' Equity	98,138	—
+Common stock	1,560,920	1,591,405
Retained earnings	3,526,948	3,517,975
Total Liabilities & Shareholders' Equity	$ 21,481,452	$ 10,175,104

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	1.56	3.22
%Net Income to Revenues	0.51	1.83
%Net Income to Equity	2.87	8.46
Working Capital	$9,670,873	$3,537,559
Current Ratio	3.27	2.24
Shareholders' Equity	$5,087,868	$5,109,380

Tech/Ops, Inc.

(formerly Technical Operations, Incorporated)

One Beacon Street
Boston, Massachusetts 02108
(617) 523-2030

Officers: Marvin G. Schorr, chairman of the board & president; Joseph DiMarzo, senior vice president-finance and administration and treasurer; P.B. Rosenberg, vice president-financial planning & control; Eric T. Clarke, vice president research & development, & secretary; Robert P. Moncreiff, assistant secretary and counsel.

Directors: Marvin G. Schorr, chairman; Eric T. Clarke, Joseph DiMarzo, Harold C. Mayer, Jr., Herbert Roth, Jr., C. Vincent Vappi, Milton C. Lauenstein.

Areas of Work: Manufactures radiographic equipment, and operates a personnel radiation detection and monitoring service. Develops, manufactures and markets control systems for electric fork lift trucks and other battery powered vehicles. Also owns a construction company and is engaged in broadcasting activities.

Divisions and Subsidiaries:

Technology Group:

Nuclear Products and Services Group
Burlington, Massachusetts

R.S. Landauer, Jr. & Company
Glenwood, Illinois

Radiation Products Division
Burlington, Massachusetts

Radiation Products Division UK
Washington, England

Nagase-Landauer, Ltd. (50%)
Tokyo, Japan

Controller Group:

Technical Operations, Limited
Gateshead, England

Sevcon, Limited
Gateshead, England

Tech/Ops, S.A.
Paris, France

Sevcon USA
Burlington, Massachusetts

Broadcasting Group:

McCormick Communications, Inc. (90% owned)
Boston, Massachusetts

WLKW AM/FM
Providence, Rhode Island

WJYE FM
Buffalo, New York

WFOG AM/FM
Suffolk/Norfolk, Virginia

WLPM AM
Suffolk, Virginia

Transfer Agent(s):

First National Bank of Boston
Shareholders' Service Division
Post Office Box 644
Boston, Massachusetts 02101

Stock Exchange(s): American

Ticker Symbol: TO

Sales and Earnings

	Net Sales +	Net Income ‡
1981	$ 28,232,000	$ 2,311,000
1980	30,020,000	1,868,000
1979	22,793,000	1,858,000
1978	19,279,000	949,000
1977	15,989,000	384,000

	No. of Com. Shares	Earn. per Share ‡ #
1981	1,034,035	$ 2.18
1980	1,023,044	1.57
1979	1,359,844	1.32
1978	1,351,744	0.71
1977	1,343,669	0.29

(Loss)
+ Includes contract revenues; of continuing operations only.
‡ Including extraordinary gain of $105,000 ($0.08 per share) in 1977.
# Based on the weighted average number of shares outstanding.

Tech/Ops, Inc.

Revenues By Line of Business
(000's)

	1981	1980
Technology	$ 23,601	$ 26,189
Broadcasting	4,631	3,831
Total	$ 28,232	$ 30,020

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 12,760,000	$ 12.34
1980	10,324,000	10.09
1979	12,113,000	8.91
1978	10,223,000	7.56
1977	9,241,000	6.88

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 28,232,000	$ 30,020,000
Cost of sales	13,983,000	15,853,000
Expenses	10,399,000	10,075,000
Interest expense	732,000	833,000
Other income	(765,000)	(282,000)
Income before taxes	$ 3,883,000	$ 3,541,000
Income taxes	1,562,000	1,567,000
Eq. in loss of subsid.	10,000	(289,000)
Income from cont. oper.	$ 2,311,000	$ 2,263,000
Income (loss) from cont. oper.	—	(395,000)
Net Income	$ 2,311,000	$ 1,868,000

* Included in Costs and Expenses, Depreciation and Amortization: $656,000 in 1981 and $708,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash & cash equiv.	$ 4,487,000	$ 3,621,000
Receiv., net	5,750,000	5,905,000
*Inventories	3,393,000	4,892,000
Prepaid expenses	272,000	271,000
Current Assets	$ 13,902,000	$ 14,689,000
#Fixed assets	3,787,000	3,717,000
Notes receivable	848,000	966,000
Other assets	711,000	502,000
Eq. in subsidiary	999,000	501,000
Intangibles	5,574,000	4,629,000
Total Assets	$ 25,821,000	$ 25,004,000

Liabilities

	1981	1980
Notes payable	$ 202,000	$ —
Long-term debt, curr.	590,000	473,000
Accts. payable	1,481,000	3,274,000
Accruals	2,457,000	2,850,000
Accrued inc. taxes	1,127,000	884,000
Deferred contract revenue	1,183,000	951,000
Curr. Liabilities	$ 7,040,000	$ 8,432,000
Long-term debt	5,698,000	5,714,000
Deferred taxes	323,000	534,000
+Common stock	1,034,000	1,023,000
Add. paid-in capital	3,638,000	3,524,000
Retained earnings	8,088,000	5,777,000
Total Liabilities & Shareholders' Equity	$ 25,821,000	$ 25,004,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 stated value.

Statistical Summary

%Income before taxes to Sales	13.75	—
%Net Income to Sales	8.19	—
% Net Income to Equity	18.11	18.09
Sales to Inventories	8.32	—
Working Capital	$ 6,862,000	$ 6,257,000
Current Ratio	1.97	1.74
Shareholders' Equity	$12,760,000	$10,324,000

Tech-Sym Corporation

6430 Richmond Avenue, Suite 460
Houston, Texas 77057
(713) 785-7790

Officers: Wendell W. Gamel, chairman of the board & president; Henry H. Leigh, vice president; Robert E. Moore, v.p., secretary & general counsel; Ray F. Thompson, treasurer & controller.

Directors: Keith R. Beeman, Wendel W. Gamel, Marvin H. Greenwood, Henry H. Leigh, Robert E. Moore, Walter B. Putnam, Joal A. Teresko, Charles C. Webb.

Divisions and Subsidiaries:

Trak Microwave Corporation
4726 Eisenhower Boulevard
Tampa, Florida 33614

Manufacturer of microwave integrated circuits (video, intermediate frequency and microwave amplifiers, very stable oscillators, microwave transmitters) and microwave ferrite isolators and circulators; microwave energy sources, automatic weighing and measuring sytems, a major portion of a laser tracking level, timing equipment and systems and specialty computer components and systems.

Metric Systems Corporation
736 North Beal Street
Fort Walton Beach, Florida 32548

Produces military electronics, industrial and commercial data interface, monitoring and data processing. Military electronic products include timing terminals, the IRIG Time Reader, real time interface systems, meteorological date processing systems, and other computer oriented systems. Produces monitoring and controls products and systems for paper mill boiler operations, paper production and electric power companies. Has developed a microprocessor, a small scale digital computer designed around a central integrated circuit. The Aeromechanics Division of Metric Systems Corporation is a supplier of materials and equipment for the domestic military transportation market; products include aerial delivery equipment.

All Woods/Schroeder, Inc.
5401 Lawndale Avenue
Houston, Texas 77023

Importer and wholesaler of hardwood mouldings serving the central and southwestern United States. Offers a full line of mouldings for home builders and custom parts for furniture and kitchen cabinet manufacturers. Imports and wholesales air-dried and kiln-dried furniture squares and dimension stock for furniture manufacturers. Offers other importers custom kiln drying and milling services.

Lake Investment Company
401 United Bank Building
3550 North Central Avenue
Suite 401
Phoenix, Arizona 85012

Real estate subsidiary.

Transfer Agent(s):

First City National Bank of Houston
Stock Transfer Section
Two Houston Center, Suite 750
Houston, Texas 77002

The Chase Manhattan Bank, N.A.
Agency Administration
1 New York Plaza, 15th Floor
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: TSY

Sales and Earnings

	Net Sales	Net Income +	No. of Com. Shares	Earn. per Share +
1981	$ 40,241,000	$ 1,275,000	4,722,325	$ 0.27
1980	35,803,000	758,582	4,618,681	0.16
1979	40,376,162	2,332,445	4,541,408	0.50
1978	30,416,333	1,321,823	4,509,592	0.28
1977	19,211,598	1,078,000	4,457,305	0.22

(Loss)
+ Including extraordinary gains of $533,000 ($0.12 per share) in 1979, $490,000 ($0.10 per share) in 1978 and $491,000 ($0.10 per share) in 1977.

Revenues By Line of Business

	1981	1980
Electronics	$ 20,543,000	$ 14,895,000
Aeromechanics	6,210,000	7,631,000
Building materials	12,950,000	12,148,000
Real Estate	538,000	1,129,000
Total	$ 40,241,000	$ 35,803,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 16,986,575	$ 3.60
1980	15,363,183	3.28
1979	14,520,640	3.16
1978	12,159,539	2.66

Income Account *

Year ended Dec. 31	1981	1980
Net Sales	$ 40,240,754	$ 35,803,231
Cost of sales	30,802,128	28,886,843
Expenses	6,120,106	5,195,183
Prod. develop. costs	175,280	126,567
Interest expense	1,337,250	991,906
Other income	(460,466)	(482,850)
Income bef. taxes	$ 2,266,456	$ 1,085,582
Charge in lieu of income taxes	991,000	327,000
Net Income	$ 1,275,456	$ 758,582

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $748,723 in 1981 and $683,164 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,540,704	$ 952,500
Receiv., net	6,661,457	4,547,932
Unbilled revenue	7,153,277	6,649,048
*Inventories	6,344,762	6,238,517
Prepaid expenses	343,761	403,708
Current Assets	$ 22,043,961	$ 18,791,705
Other assets	456,287	705,502
Receivable	2,179,152	2,599,983
#Fixed assets	6,275,846	6,158,567
Prop. held for resale	983,558	988,766
Total Assets	$ 31,938,804	$ 29,244,523

Liabilities

	1981	1980
Long-term debt, curr.	$ 2,231,868	$ 3,004,698
Accts. payable	3,091,361	2,177,953
Accruals	2,725,133	1,320,311
Back acceptances	2,313,000	2,056,000
Current Liabilities	$ 10,361,362	$ 8,558,962
Long-term debt	3,714,217	4,267,890
Deferred commissions & other liabilities	876,650	1,054,488
+Common stock	490,437	490,414
Add. paid-in capital	13,829,813	13,557,227
Retained earnings	2,798,896	1,523,440
Treasury stock	(132,571)	(207,898)
Total Liabilities & Shareholders' Equity	$ 31,938,804	$ 29,244,523

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and depletion.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.63	3.03
%Net Income to Sales	3.17	2.12
%Net Income to Equity	7.51	4.94
Sales to Inventories	6.34	5.74
Working Capital	$11,682,599	$10,232,743
Current Ratio	2.13	2.20
Shareholders' Equity	$16,986,575	$15,363,183

Techtran Industries, Inc.

200 Commerce Drive
Rochester, New York 14623
(716) 271-7953

Officers: David L. Decker, president; Gilbert L. Budd, exec. v.p. & treasurer; Stanley R. Kneppar, v.p.-operations & secretary; Robert L. Wagner, president, A.D. Data Subsidiary.

Directors: David L. Decker, Gilbert L. Budd, Stanley R. Kneppar, Francis H. Trombly, Jr., N. Richard Pyes.

Areas of Work: Manufactures digital cassette and disc recording equipment, datalogging and electronic switching systems.

Subsidiaries:

A.D. Data Systems, Inc.
Designs and manufactures datalogging and site monitoring systems.

Transfer Agent(s):

Security Trust Co.
One East Avenue
Rochester, New York 14604

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1981	$ 4,596,599	$ (201,123)
1980	6,204,964	258,100
1979	4,550,778	140,362
1978	3,096,088	89,352
1977	2,279,861	65,606

	No. of Com. Shares	Earn. per Share
1981	771,957	$ —
1980	762,065	0.57
1979	428,885	0.33
1978	426,045	0.21
1977	424,585	0.17

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,902,254	$ 3.76
1980	3,070,688	4.03
1979	1,035,659	2.41
1978	892,615	2.10
1977	802,075	1.89

Income Account *

Year ended Aug. 31	1981	1980
Net revenues	$ 4,596,599	$ 6,204,964
Other income	177,036	32,319
Total income	$ 4,773,635	$ 6,237,283
Cost of sales & serv.	2,356,970	3,894,021
Expenses	2,085,854	1,516,994
Research & devel.	328,269	141,210
Interest expense	166,618	173,863
Profit sharing	600,000	75,000
Income (loss) before taxes	(224,076)	436,195
Income taxes (credit)	(22,953)	178,095
Net Income (Loss)	(201,123)	258,100

* Included in Costs and Expenses, Depreciation: $59,491 in 1980.

Assets

As of Aug. 31	1981	1980
Cash	$ 58,645	$ 1,244,512
Short-term invest.	850,211	983,289
Accts. receiv., net	1,009,543	1,186,338
*Inventories	2,153,619	1,177,150
Prepaid expenses	18,784	16,288
Refundable inc. taxes	31,813	—
Current Assets	$ 4,122,615	$ 4,607,577
#Fixed assets	782,622	688,899
Other assets	167,798	—
Total Assets	$ 5,073,035	$ 5,296,476

Liabilities

Long-term deb., curr.	$ 41,000	$ 141,000
Accts. payable	456,236	595,531
Accruals	188,838	211,015
Accrued payroll	93,764	48,793
Accrued inc. taxes	7,203	60,068
Curr. Liabilities	$ 787,041	$ 1,056,407
Deferred inc. taxes	53,700	53,700
Long-term debt	1,330,040	1,115,681
+Common stock	7,719	7,620
Add paid-in capital	2,477,914	2,445,324
Retained earnings	416,621	617,744
Total Liabilities & Shareholders' Equity	$ 5,073,035	$ 5,296,476

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	7.03
%Net Income to Revenues	—	4.16
%Net Income to Equity	—	8.41
Working Capital	$3,335,574	$3,551,170
Current Ratio	5.24	4.36
Shareholders' Equity	$2,902,254	$3,070,688

Tektronix, Inc.

P.O. Box 500
Beaverton, Oregon 97077
(503) 644-0161

Officers: Howard Vollum, chairman of the board; Earl Wantland, president & chief executive officer; William D. Walker, executive v.p. & chief operating officer; Larry N. Choruby, group v.p.-finance; Lewis C. Kasch, Lawrence L. Mayhew, group vice presidents; Francis Doyle, Charles H. Frost, John L. Landis, Tom Long, Howard W. Mikesell, William J. Polits, Jon S. Reed, Philip J. Robinson, Lawrence T. Sutter, James C. Towne, vice presidents; Willem B. Velsink, R. Allan Leedy, Jr., secretary & general counsel; Kenneth H. Knox, treasurer; Bill J. Robinson, controller; N. Eric Jorgensen, Edward J. Lewis, asst. secretaries; Fletcher C. Chamberlin, James O. Hughes, asst. treasurers.

Directors: Howard Vollum, chairman; James B. Castles, Louis B. Perry, Earl Wantland, Frank M. Warren, John D. Gray, William D. Walker.

Areas of Work: Designs, manufactures and markets a wide variety of electronic display and measurement equipment, the most important of which are precision cathode ray oscilloscopes. Also included are spectrum analyzers, signal generators, logic analyzers, microprocessor development tools, digital measurement equipment, automated measurement systems, specialized instruments for the television industry, display monitors, graphic computer terminals, and various related products.

Subsidiaries:

Tektronix Australia Pty.Ltd.
Sydney, Melbourne, Adelaide & Perth, Australia

Rohde & Schwarz-Tektronix GmbH (50% owned)
Vienna, Austria

Tektronix S.A.
Brussels, Belgium

Tektronix Canada Ltd.
Barrie & Ontario, Canada

Tektronix A/S
Copenhagen, Denmark

Tektronix France
Paris, France

Tektronix GmbH
Cologne, West Germany

Tektronix Holland N.V.
Badhoevedorp, The Netherlands

Sony/Tektronix Corporation (50% owned)
Tokyo, Japan

Tektronix AB
Stockholm & Gothenburg, Sweden

Tektronix International AG
Zug & Geneva, Switzerland

Tektronix U.K. Ltd.
Harpenden, Herts, England

Branch of Tektronix U.K. Ltd.
Dublin, Ireland

The Grass Valley Group, Inc.
Grass Valley, California

Tektronix Norge A/S
Oslo, Norway

Tektronix Oy
Helsinki, Finland

Tektronix-Industria e Commercio Ltda.
Rio de Janeiro & Sao Paulo, Brazil

Tektronix Guernsey Limited
Channel Island of Guernsey

Tektronix Sa. de C.V. (49% owned)
Mexico City, Mexico

Tektronix S.P.A.
Milan, Rome and Turin, Italy

Tektronix Espanola S.A.
Madrid & Barcelona, Spain

Transfer Agent(s):

United States National Bank of Oregon
Portland, Oregon

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: TEK

Number of Employees:

1981	24,028	1978	19,147
1980	23,890	1977	14,637
1979	21,291		

Plant Footage:

1981	7,300,000 sq.ft.	1978	3,987,000
1980	5,921,000	1977	3,906,000
1979	4,935,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ [illegible],061,834,000	$ 80,167,000
1980	971,306,000	85,072,000
1979	786,936,000	77,151,000
1978	598,886,000	56,846,000
1977	454,958,000	43,971,000

	No. of Com. Shares †	Earn. per Share #
1981	18,574,000	$ 4.34
1980	18,372,000	4.66
1979	18,143,000	4.28
1978	17,913,000	3.19
1977	17,675,000	2.49

† Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenue By Line of Business

	1981 (000's)	%	1980 (000's)	%
Test & measurement products	$ 757,973	71%	$722,060	74%
Information display products	303,861	29	249,246	26
Total	$1,061,834	100%	$971,306	100%

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1981	$0.90	—	—
1980	0.79	—	—
1979	0.48	—	—
1978	0.60	—	—
1977	0.225	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 557,544,000	$ 30.02
1980	483,338,000	26.46
1979	402,800,000	22.20
1978	326,696,000	18.24
1977	274,122,000	15.51

† Adjusted to reflect stock split.

Income Account *

Year ended	5/30/81	5/31/80
Net sales	$ 1,061,834	$ 971,306
Cost of sales	513,145	458,464
Expenses	410,653	364,993
Interest expense	25,274	15,956
Other income	(19,630)	(5,029)
Income before taxes	$ 132,392	$ 136,922
Income taxes	52,[illegible]25	51,850
Net Income	$ 80,167	$ 85,072

* Included in Costs and Expenses, Depreciation: $42,228,000 in 1981 and $30,303,000 in 1980.

Assets
(000's)

As of	5/30/81	5/31/80
Cash	$ 47,862	$ 57,145
Accts. receiv.	204,952	198,069
*Inventories	293,705	263,563
Prepaid expenses	27,272	22,140
Current Assets	$ 573,791	$ 540,917
Investments & other assets	39,050	24,005
#Fixed assets	340,912	276,771
Total Assets	$ 953,753	$ 841,693

Liabilities
(000's)

Notes payable	$ 50,175	$ 45,809
Accts. payable	60,405	49,034
Accrued compensation	75,159	71,584
Income taxes	28,788	27,404
Curr. Liabilities	$ 214,527	$ 193,831
Long-term debt	146,143	136,196
Other liabilities	4,774	4,354
Deferred inc. taxes	30,765	23,974
+ Common stock	52,515	41,844
Reinvested earnings	505,029	441,494
Total Liabilities & Shareholders' Equity	$ 953,753	$ 841,693

* At lower of cost of market. (Parent co. at LIFO; Subsidiary at FIFO).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	12.47	14.10
%Net Income to Sales	7.55	8.76
%Net Income to Equity	14.38	17.60
Sales to Inventories	3.62	3.69
Working Capital	$359,264,000	$347,086,000
Current Ratio	2.67	2.79
Shareholders' Equity	$557,544,000	$483,338,000

Teledyne, Inc.

1901 Avenue of the Stars
Los Angeles, California 90067
(213) 277-3311

Officers: Henry E. Singleton, chief executive officer & chairman of the board; George A. Roberts, president; Frederick A. Kaufman, Leo W. Killen, G. Williams Rutherford, W.W. Sick, Jr., Jerrold V. Jerome, vice presidents; Charles E. Rinsch, vice president, treasurer & secretary.

Directors: Henry E. Singleton, chairman; George Kozmetsy, George A. Roberts, Arthur Rock, Claude E. Shannon, William W. Shannon.

Areas of Work: Involved in four major areas of work: Aviation & Electronics; Machines & Metals; Engines, Energy & Power; and Commercial & Consumer. The Aviation & Electronic group is involved in the construction of aircraft engines, instrumentation, semiconductors and systems. The Machines and Metals group manufactures threading tools, bending machines welding positioners and other related products. The Engines, Energy & Power group manufactures liquid and air-cooled engines, seismic exploration, surveying, oil and gas production equipment, offshore drilling platforms, instrumentation for radioisotope measurement, thermoelectric gererators, transformer cables, electrical connectors, rotary and solid state power systems, and analytical instruments. The Commercial and Consumer group manufactures high fidelity load speakers systems, swimming pool heaters, "Water Pik", dental products and instruments, drafting instuments, plastic bottles, rubber parts and plastic products.

Divisions and Subsidiaries:

Aviation and Electronics

Teledyne Aerospace Systems
Industrial Park
Lewisburg, Tennessee 37901
Designs and produces high quality multi-conductor electrical cable assemblies and wiring harnesses.

Teledyne Avionics
Charlottesville-Albemarle Airport
Charlottesville, Virginia 22906
Produces angle of attack instrumentation, pneumatic instrumentation such as the IVSI (Inertial-lead Vertical Speed Indicator), and audiometers used to screen children for hearing disabilities.

Teledyne Brown Engineering
Cummings Research Park
Huntsville, Alabama 35807
Manufactures missile components and subsystems and targets as drones for the military.

Teledyne CAE
1330 Laskey Road
Toledo, Ohio 43612
Designs, develops and manufa[illegible] gas turbine engines.

Teledyne Camera Systems
131 North Fifth Avenue
Arcadia, California 91006
Manufactures photographic instrumentation, photo-optical systems and components including specialized airborne cameras, underwater photographic equipment and infrared detection systems.

Teledyne Continental Motors Aircraft Products
Aerospace & Industrial Complex
Mobile, Alabama 36615
Produces aircraft piston engines.

Teledyne Controls
200 North Aviation Boulevard
El Segundo, California 90245
Produces a wide variety of electronic equipment for commercial military and other applications, including airborne electronic equipment utilizing automatic digital communication.

Teledyne Crystalonics
147 Sherman Street
Cambridge, Massachusetts 02140
Manufactures high reliability semiconductors and specializes in the redevelopment of silicon transistor, tuning and current regulator diodes and hybrid microcircuits.

Teledyne Electro-Mechanisms
29 Crown Street
Nashua, New Hampshire 03061
Produces flexible etched circuitry used in high reliability aerospace and electronic applications where space and weight requirements must be kept to a minimum.

Teledyne Electronics
649 Lawrence Drive
Newbury Park, California 91320
Designs, develops and manufactures airborne and ground based identification systems and test equipment (Identification Friend or FOE/Air Traffic Control). Also produces telemetry transmitters, multiplexers and signal conditioning equipment.

Teledyne Hastings-Raydist
804 Newcomb Avenue
Hampton, Virginia 23661
Provides products and services for navigational purposes such as precise radio location and positioning in inland and coastal waterways.

Teledyne Kinetics
410 South Cedros Avenue
Solana Beach, California 92075
Designs and manufactures proprietary electro-mechanical products including motor driven switches for use on missiles and space vehicles and printed circuit connectors.

Teledyne Lewisburg
Industrial Park
Lewisburg, Tennessee 37091
Manufactures high reliability electronic and electromechanical equipment for defense, space and industrial applications including UHF radio communications systems, fixed station transceivers, process control equipment for nuclear energy plant safety systems and data acquisition equipment for wind tunnel operation and control.

Teledyne McCormick Selph
3601 Union Road
Hollister, California 95023
Produces ordnance devices and specialty chemicals.

Teledyne MEC
3165 Porter Drive
Palo Alto, California 94304
Manufactures microwave devices for use in electronic countermeasures.

Teledyne Microelectronics
12964 Panama Street
Los Angeles, California 90066
Manufactures custom, high-reliability hybrid microcircuits.

Teledyne Micronetics
7155 Mission Gorge Road
San Diego, California 92120
Provides a wide range of radar services to military and aerospace companies. Manufactures passive radar augmenters.

Teledyne Microwave
1290 Terra Bella Avenue
Mountain View, California 94043
Designs and manufactures passive and active microwave devices and subsystems including filters, multiplexers and integrated sub-assemblies; ferrite components including circulators and isolators; coaxial, SPDT, transfer and multithrow switches and voltage controlled oscilator systems.

Teledyne Neosho
Doniphan Drive
Neosho, Missouri 64850
Precision gears for jet, turbine, and reciprocating engines.

Teledyne Philbrick
Allied Drive at Route 128
Dedham, Massachusetts 02026
Manufactures hybrid and modular electronic components including data converters, linear circuit components, nonlinear components and power supplies.

Teledyne Relays
12525 Daphne Avenue
Hawthorne, California 90250

Manufactures hermetically sealed eletromechanical relays and solid state relays for electronic applications.

Teledyne Ryan Aeronautical
2701 Harbor Drive
San Diego, California 92138

Designs and develops remotely piloted supersonic airborne vehicles, Doppler velocity sensors, radar and infrared altimeters, microwave and electronically scannable antennas and space landing radars.

Teledyne Semiconductor
1300 Terra Bella Avenue
Mountain View, California 94043

Manufactures semiconductor components and integrated circuits.

Teledyne Systems
19601 Nordhoff Street

Engaged in the manufacture of airborne and spaceborne computers, inertial and radio frequency navigation systems, custom test and ground support systems. Sales are principally to government and defense.

Teledyne Thermatics
P.O. Box 909
Elm City, North Carolina 27822

Full service wire and cable company.

Teledyne Western Wire & Cable
2425 East 30th Street
Los Angeles, California

Manufactures portable electrical cord and cable.

Transfer Agent(s):

Bank of America N.T. & S.A.
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

United States Trust Company of New York
45 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Pacific

Ticker Symbol: TDY

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 3,237,600	$ 412,300
1980	2,926,419	347,797
1979	2,705,600	371,960
1978	2,441,629	248,503
1977	2,209,731	194,783

	No. of Com. Shares ‡	Earn. per Share ‡
1981	20,657,531	$ 19.96
1980	22,564,756	15.24
1979	25,278,057	14.71
1978	26,377,274	9.40
1977	26,514,275	7.28

‡ Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Industrial	$ 1,203,700	$ 1,017,034
Aviation & electronics	865,200	726,760
Specialty metals	870,000	898,576
Consumer & other	298,700	284,049
Total	$ 3,237,600	$ 2,926,419

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	5-for-4 & 3-for-2 +
1979	—	8½%	—
1978	—	10%	—
1977	—	3%	—

+ To be distributed Mar., 1981.

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$1,706,500,000	$ 82.61
1980	1,401,342,000	62.10
1979	1,275,406,000	50.46
1978	875,357,000	33.19

Based on the weighted average number of common shares and common share equivalents outstanding, adjusted to reflect stock dividends and stock splits.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 3,237,600	$ 2,926,419
Cost of sales	2,364,200	2,167,720
Expenses	385,900	356,243
Interest expense	26,300	21,505
Interest income	(49,400)	(27,783)
Income before taxes	$ 510,600	$ 408,734
Income taxes	240,900	194,200
Minority interest	(142,600)	(129,263)
Net Income	$ 412,300	$ 343,797

* Included in Costs and Expenses, Depreciation and Amortization: $90,800,000 in 1981 and $78,851,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & market. secur.	$ 448,400	$ 236,983
Receiv., net	385,000	360,971
*Inventories	164,400	170,499
Prepaid expenses	7,200	5,982
Current Assets	$ 1,005,000	$ 774,435
Investments	1,463,800	1,419,765
#Fixed assets	364,900	325,130
Other assets	34,500	32,926
Total Assets	$ 2,868,200	$ 2,552,256

Liabilities
(000's)

	1981	1980
Long-term debt, curr.	$ 33,500	$ 19,684
Accts. payable	122,100	121,691
Accruals	216,400	206,719
Income taxes	15,200	51,500
Curr. Liabilities	$ 387,200	$ 399,594
Long-term debt	595,900	619,752
Def. income taxes	156,600	110,000
Other liabilities	22,000	21,568
+Common stock	32,300	32,340
Add. paid-in capital	229,900	523,948
Retained earnings	1,791,500	1,380,204
Equity in unrealized apprec. in marketable sec. of uncons. subs.	137,500	243,600
Treasury stock	(484,700)	(778,750)
Total Liabilities & Shareholders' Equity	$ 2,868,200	$ 2,552,256

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.77	13.97
%Net Income to Sales	12.73	11.75
%Net Income to Equity	24.16	24.53
Sales to Inventories	19.69	17.16
Working Capital	$ 617,800,000	$ 374,841,000
Current Ratio	2.60	1.94
Shareholders' Equity	$1,706,500,000	$1,401,342,000

Teleflex Incorporated

155 South Limerick Road
Limerick, Pennsylvania 19468
(215) 948-5100

Officers: L.K. Black, president & chief executive officer; John H. Remer, sr. v.p.; John J. Sickler, v.p. & chief financial officer; Ira Albom, v.p. & gen. mgr., Aerospace; David S. Boyer, v.p. & gen. mgr., Automotive; Thomas A. Coneys, v.p.-Applied Polymers Group; Roy C. Carriker, v.p. & gen. mgr., SermeTel Incorporated; Charles W. Shiver, v.p. & gen. mgr., Marine/Industrial; John F. Schoenfelder, secretary & treasurer.

Directors: John H. Remer, Harry T. Devine, L.K. Black, John J. Sickler, Lewis E. Hatch, Jr., Pemberton Hutchinson, Robert K. Parrington, Palmer E. Retzlaff, Donald Beckman.

Areas of Work: Specialized mechanical, electromechanical, and hydraulic control systems including steering, engine controls, and cable linkages for aircraft, space vehicles, commercial ships and vehicular industries. Measurement and control systems for nuclear and chemical reactors, industrial processes, and other hostile atmospheres. Custom designed mechanical wire and cable controls including accelerators and cruise controls, hood releases, transmission and shift controls, disappearing tailgate window regulator system, heater, vent, and air conditioning controls, brake release controls, seat-back latches, and sunroof helical cable assemblies for automotive and motor truck industries. Engine control systems, electrical instrumentation systems, cables, and wiring harnesses for buses, trucks, industrial and leisure vehicles. Mechanical steering systems, engine control systems and cables, electrical intrumentation systems and wiring harnesses for pleasure marine industry. SermeTel inorganic corrosion resistant coatings and processes, ceramic compounds, and composites for aerospace, electronic, and industrial markets. Highly engineered fluoroplastic products including smooth wall and convoluted tubing, sleeving, and conduit, shapes, profile, custom linings and lined products, braided hose, custom wire products, rod and beading, and heat shrinkables for aerospace, automotive, industrial, medical and electronic applications.

Operation & Subsidiaries:

Technical Products and Services

Teleflex Aerospace
Church Road North
Wales, Pennsylvania 19454

Hoover Electric Company
2100 South Stoner Avenue
Los Angeles, California 90025
(231) 272-3125

Hutson Aerospace, Inc.
3500 South Cooper
Arlington, Texas 76015
(816) 467-4927

Teleflex Applied Polymers Group
Tall Pines Park
Jaffrey, New Hampshire 03452
(603) 532-8737

Teleflex Fluid Systems
Progress Industrial Park
506 Hayden Station Road
Windsor, Connecticut 06095
(203) 633-0745

Teleflex Fluoroplastics
847 Route 10
Randolph, New Jersey 07869
(201) 584-4400

Teleflex Medical
Tall Pines Park
Jaffrey, New Hampshire 03452
(603) 532-8737

Albert H. Surprenant, Inc.
Tall Pines Park
Jaffrey, New Hampshire 03452
(603) 532-7706

Teleflex Incorporated

SermeTel Incorporated
International Headquarters and Processing Plant
155 South Limerick Road
Limerick, Pennsylvania 19468
(211) 948-5100

SermeTel GmbH
Weilenburg-Strasse 49
5682 Heiligenhaus
West Germany

Sermetel Canada, Inc.
747 Riddle Avenue
Dorval, Quebec
Canada H9P 1H4

Sermetel Corrosion Technology
4401 Richardson Street
P.O. Box 627
Moss Point, Mississippi 39563

SermeTel (U.K.) Limited
High Holborn Road, Codnor
Ripley, Derbyshire
England DE5 3NW

Airfoil Management Company
13633 S. Crenshaw Boulevard
Hawthorne, California 90250

Heurchrome S.A.
176, Rue d'Estienne-d'Orves
Colombes, France

Commercial Products:

Teleflex Automotive
2530 Industrial Row
Troy, Michigan 48084
(313) 280-0620

Capro, Inc.
2210 North Frazier
Conroe, Texas 77301
(713) 756-8111

Teleflex Marine/Industrial
640 North Lewis Road
Limerick, Pennsylvania 19468
(215) 495-7011

Merriman/Yacht Specialties, Inc.
301 Olive Street
Grand River, Ohio 44045
(216) 352-8988

Teleflex (Canada) Limited
1650 West Second Avenue
Vancouver, British Columbia
Canada V6J 1H4

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 Chase Manhattan Place
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: TFX

Sales and Earnings

	Net Sales	Net Income
1981	$ 103,220,400	$ 7,106,300
1980	78,501,100	4,758,900
1979	66,790,500	3,872,200
1978*	54,844,600	2,668,400
1977	47,670,300	1,768,500

	No. of Com. Shares ‡	Earn. per Share ‡
1981	4,674,000	$ 1.52
1980	4,546,000	1.05
1979	4,497,000	0.86
1978	4,446,000	0.60
1977	4,260,000	0.41

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980	1979	1978
Commercial products	48%	43%	57%	68%
Technical products & services	52	57	43	32
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.25	—	3-for-2
1980	0.17	—	2-for-1
1979	0.13	—	—
1978	0.09	—	2-for-1
1977	0.06	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 30,265,000	$ 6.52
1980	23,782,200	5.28
1979	19,053,400	4.47
1978	15,571,500	3.71
1977	12,897,000	3.19

† Adjusted to reflect stock splits.

Income Account *

Year ended	12/27/81	12/28/80
Net sales	$ 103,220,400	$ 78,501,100
Cost of sales	67,381,800	52,065,400
Expenses	21,078,700	16,635,800
Interest expense	2,603,600	1,640,000
Other income	(550,000)	(519,000)
Income before taxes	$ 12,706,300	$ 8,658,900
Income taxes	5,600,000	3,900,000
Net Income	$ 7,106,300	$ 4,758,900

* Included in Costs and Expenses, Depreciation and Amortization: $2,321,000 in 1981 and $1,981,900 in 1980.

Assets

As of	12/27/81	12/28/80
Cash & short-term invest.	$ 1,644,300	$ 1,458,200
Accts. receiv., net	18,919,600	15,346,800
*Inventories	27,825,500	20,902,200
Prepaid expenses	366,800	264,200
Current Assets	$ 48,756,200	$ 37,971,400
#Fixed assets	21,879,900	14,658,000
Other assets	6,704,300	1,470,700
Total Assets	$ 77,340,400	$ 54,100,100

Liabilities

	12/27/81	12/28/80
Demand loans	$ —	$ 1,500,000
Accts. payable	9,370,600	6,414,000
Cap. lease oblig., curr.	1,430,300	1,293,700
Accruals	4,179,400	4,311,000
Income taxes	3,114,500	762,300
Curr. Liabilities	$ 18,094,800	$ 14,281,000
Long-term debt	26,191,600	13,468,000
Cap. lease oblig.	1,441,000	1,520,000
Deferred inc. taxes	1,348,000	1,048,000
+ Common stock	6,870,500	6,341,100
Retained earnings	23,602,500	17,441,100
Total Liabilities & Shareholders' Equity	$ 77,340,400	$ 54,100,100

* At lower of average cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	12.31	11.03
%Net Income to Sales	6.88	6.06
%Net Income to Equity	23.48	20.01
Sales to Inventories	3.71	3.78
Working Capital	$30,661,400	$23,690,400
Current Ratio	2.69	2.66
Shareholders' Equity	$30,265,000	$23,782,200

TeleSciences, Inc.

351 New Albany Road
Moorestown, New Jersey 08057
(609) 235-6227

Officers: Fred Cohen, chairman of the board & president; Seymour Hernes, executive v.p., secretary & treasurer; Joseph B. Connell, sr. v.p.-international operations; George Daly, sr. v.p.-operations; John J. Reis, sr, v.p.-station products; E.A. Summers, sr. v.p.-Telco Products; Stephen M. Fillebrown, v.p.-station products engineering; Henry Hutto, v.p.-integrated systems; Alexander S. Micko, v.p. & controller.

Directors: Fred Cohen, chairman; Seymour Hernes, Fred B. Levin, John G. Riddell, Frederic H. Cohen.

Divisions:

Telco Products
Designs and engineers computer-based telephone support systems including billing, traffic/maintenance, and directory assistance systems

TeleSciences Computer Systems, Inc.
TeleSciences Data Systems, Inc.
Automatic Production Systems, Inc.

Station Products
Designs and engineers station equipment including Private Automatic Branch Exchange (PABX) and Automatic Call Distributor (ACD).

International Operations
Markets all TeleSciences products outside of the United States and Canada.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: TSC

Number of Employees:

1981	620	1978	425
1980	N/A*	1977	330
1979	500		

Plant Footage:

1981	148,250 sq. ft.	1978	89,700
1980	139,150	1977	61,300
1979	98,100		

* Not Available

Sales and Earnings

	Net Sales	Net Income
1981	$ 35,259,653	$ (806,905)
1980	22,830,701	(1,686,441)
1979	32,711,634	3,895,213
1978	28,520,594	4,321,680
1977	22,855,931	3,303,579

	No of Com. Shares	Earn. per Share #
1981	3,243,769	$ —
1980	3,188,006	—
1979	3,184,906	1.20
1978	3,165,693	1.35
1977	3,100,597	1.05

(Loss)
# Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 18,867,820	$ 5.82
1980	19,205,617	6.02
1979	20,858,301	6.55
1978	18,636,238	5.89
1977	15,392,120	4.96

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 35,259,653	$ 22,830,701
Cost of sales	30,349,864	21,552,529
Expenses	$ 7,257,201	$ 4,824,949
Other income	(85,807)	(165,336)
Loss before taxes	$ (2,461,605)	$ (3,381,441)
Income tax credit	(1,654,700)	(1,695,000)
Net Loss	$ (806,905)	$ (1,686,441)

* Included in Costs and Expenses, Depreciation and Amortization: $1,139,972 in 1981 and $950,773 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 300,740	$ 159,642
Accts. receiv., net	11,061,771	6,473,163
*Inventories	14,637,117	12,942,349
Refundable income taxes	1,766,000	1,675,500
Prepaid expenses	745,278	608,743
Current Assets	$ 28,510,906	$ 21,859,396
#Fixed assets	5,161,571	4,308,570
Other assets	1,645,124	1,839,624
Total Assets	$ 35,317,601	$ 28,007,590

Liabilities

	1981	1980
Notes payable	$ —	$ 3,400,000
Accts. payable	3,250,140	3,265,040
Accruals	1,932,041	1,195,433
Curr. Liabilities	$ 5,182,181	$ 7,860,473
Long-term debt	10,300,000	—
Deferred inc. taxes	667,600	641,500
Deferred comp.	300,000	300,000
+Common stock	324,377	318,800
Add. paid-in capital	7,551,754	6,976,547
Retained earnings	11,103,365	11,910,270
Treas. cost (loss)	(111,676)	—
Total Liabilities & Shareholders' Equity	$ 35,317,601	$ 28,007,590

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1981	1980
Sales to Inventories	2.20	1.76
Working Capital	$23,328,725	$13,998,923
Current Ratio	5.50	2.78
Shareholders' Equity	$18,867,820	$19,205,617

The Telex Corporation

P.O. Box 1526
6422 E. 41st Street
Tulsa, Oklahoma 74101
(918) 627-2333

Officers: S.J. Jatras, chairman of the board, president & chief executive officer; Ansel Kleiman, George L. Bragg, group vice presidents; J.B. Bailey, v.p., general counsel & secretary; E.G. Frank, v.p.-finance, treasurer & controller; Serge Novovich, asst. secretary; David E. Gannon, asst. treasurer; Brent Waddell, asst. controller; Jon Mitchell, director of internal auditing.

Directors: S.J. Jatras, chairman; Robert W. Allen, Frank E. Cochran, Richard H. Highes, Ansel Kleiman, Leonard R. Silver, Howard Upton, John S. Zink.

Operating Groups:

Telex Computer Products, Inc.
6422 E. 41st Street
Tulsa, Oklahoma 74135
(918) 627-1111

Products include disk pack drive systems, magnetic tape drives and systems, train printer systems, memory subsystems, communication controllers, computer terminals, and systems, data entry systems, fabricated and machined metal products and contract manufacturing.

Telex Communications, Inc.
9600 Aldrich Avenues
Bloomington, Minnesota 55420
(612) 884-4051

Products include aircraft high fidelity stereo devices, cartridge players and recorders, tape duplicating systems, reel-to-reel tape recorders and players, hearing aids, microphones, headsets, dynamic transducers, military tape recorders, and terminal recording devices, instrumentation tape recorders and communication antennas.

Divisions:

Telex Computer Products, Inc.:
  Peripherals Division
  Metal Products Division
  Midwestern Instruments Divisions
  Telex Service Company
    Tulsa, Oklahoma
  Telex Terminal Communications Division
    Raleigh, N.C.
  General Computer Systems Division
    Dallas, TX

  Telex Communications, Inc.
  Hy-Gain/Turner Division
    Minneapolis, Minnesota
    Lincoln, Nebraska

Transfer Agent(s):

First National Bank of Boston
Boston, Mass.

Stock Exchange(s): New York, Pacific

Ticker Symbol: TC

Number of Employees:

1981	3,902	1978	3,120
1980	4,026	1977	3,100
1979	3,850		

Plant Footage:

1981 . . . . . . 870,000 sq. ft.

Sales and Earnings

	Revenues	Net Income +
1981	$ 186,492,000	$ 8,083,000
1980	165,994,000	991,000
1979	148,189,000	5,358,000
1978	140,460,000	8,454,000
1977	119,272,000	6,285,000

	No. of Com. Shares	Earn. per Share + #
1981	12,628,334	$ 0.64
1980	12,609,834	0.08
1979	12,600,084	0.45
1978	10,808,712	0.78
1977	10,773,279	0.58

Based on the weighted average number of common shares and common share equivalents outstanding.

+ Including extraordinary credits of $236,000 ($0.02 per share) in 1979, $,700,000 ($0.43 per share) in 1978 and $3,030,000 ($0.28 per share) in 1977.

Revenues By Line of Business

	1981	1980
Computer products	$ 131,093,000	$ 111,365,000
Communications	55,399,000	54,629,000
Total	$ 186,492,000	$ 165,994,000

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 49,822,000	$ 3.95
1980	41,682,000	3.31
1979	40,665,000	3.23
1978	22,742,000	2.10
1977	14,200,000	1.32

Income Account *
(000's)

Year ended March 31	1981	1980
Revenues	$ 186,492	$ 165,994
Cost of revenues	124,909	116,767
Expenses	35,295	32,715
Prov. for loss on inventories	3,993	4,171
Interest expense	9,683	8,567
Other charges	1,986	1,864
Settlement of litigation	1,235	1,313
Income bef. taxes	$ 9,391	$ 597
Income taxes (credit)	1,308	(394)
Net Income	$ 8,083	$ 991

* Included in Cost and Expenses, Depreciation: $9,720,000 in 1981 and $8,356,000 in 1980.

Assets
(000's)

As of March 31	1981	1980
Cash	$ 2,819	$ 1,555
Accts. receiv., net	26,762	24,857
Notes receiv.	3,177	4,928
Investments in sales-types leases	1,898	1,029
*Inventories	66,243	60,643
Equipment leased or held for lease or sale	28,218	24,103
#Fixed assets	19,884	19,252
Other assets	2,819	2,481
Total Assets	$ 151,820	$ 138,848

Liabilities
(000's)

	1981	1980
Short-term bank loans	$ 9,800	$ 3,700
Accts. payable	10,210	14,791
Accruals	8,769	7,707
Income taxes	668	825
Long-term debt	71,079	69,905
Deferred inc. taxes	1,472	238
+Common stock	12,628	12,610
Add. paid-in capital	19,687	19,648
Retained earnings	17,507	9,424
Total Liabilities & Shareholders' Equity	$ 151,820	$ 138,848

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1981	1980
% Income before Taxes to Revenues	5.04	—
% Net Income to Revenues	4.33	0.60
% Net Income to Equity	16.22	2.38
Shareholders' Equity	$49,822,000	$41,682,000

Tempo Instruments & Controls Corp.

87 Modular Avenue
Commack, New York 11725
(516) 864-3700

Officers: George J. Sheedone, president; Matthew Cordova, v.p. & secretary; Merril Halpern, Henry Piano, vice presidents; Alex Koslowsky, v.p.-finance & treasurer.

Tempo Instruments & Controls Corp.

Directors: Glenn H. Feit, Merril Halpern, George J. Shordone.

Areas of Work: Engaged in the development, production and marketing of solid state, miniaturized electronic timers for the industrial and military markets.

Subsidiaries:

Tempo Instrument Incorporated
Produces a variety of solid state timing devices, D.C. regulators, telephone cabel breakdown test sets, medical x-ray controls and power supplies.

Astronics Corporation
Arcadia, California
Engaged in the production of electronic control devices.

Transfer Agent(s):

Chemical Bank
20 Pine Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	280	1978	300
1980	270	1977	250
1979	270		

Plant Footage:

1981	73,000 sq. ft.	1978	86,000
1980	56,000	1977	65,000
1979	56,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 11,347,442	$ 665,591
1980	9,714,530	513,665
1979	9,241,230	455,043
1978	9,455,607	496,136
1977	10,415,895	195,627

	No. of Com. Shares	Earn. per Share ‡
1981	220,661	$ 3.00
1980	227,761	2.33
1979	201,761	2.26
1978	202,861	2.42
1977	208,461	0.90

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 3,800,314	$ 17.22
1980	3,150,223	13.83
1979	2,617,058	12.97
1978	2,168,565	10.69
1977	1,696,629	8.14

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 11,347,442	$ 9,714,530
Costs of sales	7,738,126	6,552,178
Expenses	2,277,124	2,089,734
Other expense	121,601	85,953
Income before taxes	$ 1,210,591	$ 986,665
Income taxes	545,000	473,000
Net Income	$ 665,591	$ 513,665

* Included in Costs and Expenses, Depreciation and Amortization: $111,253 in 1981 and $103,095 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 481,302	$ 487,402
Certificates of deposit	100,000	300,000
Accts. receiv., net	1,584,817	1,250,630
*Inventories	2,903,270	2,601,554
Prepaid expenses	301,319	103,431
Current Assets	$ 5,370,708	$ 4,743,017
#Fixed assets	2,772,160	608,637
Other assets	120,389	—
Total Assets	$ 8,263,257	$ 5,351,654

Liabilities

Notes payable & long-term debt, curr.	$ 1,302,439	$ 524,459
Accts. payable & accruals	1,315,405	1,132,416
Inc. taxes payable	86,200	190,000
Deferred inc. taxes	14,400	17,200
Curr. Liabilities	$ 2,718,444	$ 1,864,075
Long-term debt	1,629,925	285,540
Deferred inc. taxes	86,845	21,000
Cap. lease oblig.	27,729	30,816
+Common stock	2,567	2,567
Add. paid-in capital	922,872	923,852
Retained earnings	3,105,098	2,439,507
Notes receivable	(85,000)	(110,500)
Treasury stock	(145,223)	(105,203)
Total Liabilities & Shareholders' Equity	$ 8,263,257	$ 5,351,654

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.67	10.16
%Net Income to Sales	5.87	5.29
%Net Income to Equity	17.51	16.31
Sales to Inventories	3.91	3.73
Working Capital	$2,652,264	$2,867,042
Current Ratio	1.98	2.53
Shareholders' Equity	$3,800,134	$3,150,223

Tonney Engineering, Inc.

1090 Springfield Road
Union, New Jersey 07083
(201) 686-7870

Officers: Saul S. Schiffman, chairman of the board; Robert S. Schiffman, president; Seymour B. Sternbach, exec. v.p.; Walter Gottesman, v.p. & secretary; Frank H. Gardner, Martin S. Schletter, B. Kenneth Snedden, v.p.'s; Frank C. Gosztyla, treasurer.

Directors: Saul S. Schiffman, Robert H. Brown, Walter Gottesman, Louis Maier, Robert S. Schiffman, David C. Schiffman, Seymour B. Sternbach.

Areas of Work: Engineers and manufactures high technology environmental test equipment.

Subsidiaries:

TNY Corporation
Tenney Environmental Products, Inc.
Tenney International, Inc.
Western Sales, Inc.

Transfer Agent(s):

National Bank of North America
New York, New York

Stock Exchange(s): American

Ticker Symbol: TNY

Number of Employees:

1981	240	1979	210
1980	220	1978	200

Plant Footage:

1981	111,500 sq. ft.	1980	75,000

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 15,157,037	$ 855,182
1980	13,095,118	729,526
1979	10,667,069	589,771
1978	9,136,300	532,237
1977	7,474,729	465,584

	No. of Com. Shares #	Earn. per Share # ‡
1981	1,669,928	$ 0.51
1980	1,669,928	0.44
1979	1,669,928	0.35
1978	1,669,928	0.32
1977	1,669,928	0.28

‡ Including extraordinary gains of $163,000 ($0.13 per share) in 1977.
# Based on the average number of common shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	4-for-3
1980	—	—	5-for-4
1979	—	—	5-for-4
1978	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 4,154,446	$ 2.49
1980	3,304,187	1.98
1979	2,578,940	1.54
1978	1,994,079	1.19
1977	1,464,387	0.88

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 15,157,037	$ 13,095,118
Cost of sales	10,515,770	9,135,550
Expenses	3,275,131	2,735,086
Other income	(266,146)	(108,744)
Income before taxes	$ 1,632,282	$ 1,333,226
Income taxes	777,100	603,700
Net Income	$ 855,182	$ 729,526

* Included in Costs and Expenses, Depreciation: $173,750 in 1981 and $123,134 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 3,716,855	$ 1,080,754
Accts. receiv., net	3,235,675	2,902,598
*Inventories	2,902,691	2,409,173
Income tax receiv.	—	49,511
Prepaid expense	149,709	143,984
Current Assets	$ 10,004,930	$ 6,586,020
#Fixed assets	1,718,185	734,698
Other assets	196,934	28,069
Total Assets	$ 11,920,049	$ 7,348,787

Liabilities

Long-term debt, curr.	$ 121,600	$ 19,756
Accts. payable & accruals	2,057,319	1,579,062
Accrued payroll	217,608	237,277
Advances	19,348	141,730
Income taxes	307,953	—
Curr. Liabilities	$ 2,723,828	$ 1,977,825
Long-term debt	4,692,775	1,729,375
Minority interest	22,000	22,000
Deferred inc. taxes	327,000	315,400
+Common stock	166,993	125,274

Add. paid-in capital	1,681,894	1,726,336
Retained earnings	2,305,559	1,452,577
Total Liabilities & Shareholders' Equity	$ 11,920,049	$ 7,348,787

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.77	10.18
%Net Income to Sales	5.64	5.57
%Net Income to Equity	20.58	22.08
Sales to Inventories	5.22	5.44
Working Capital	$7,281,102	$4,608,195
Current Ratio	3.67	3.33
Shareholders' Equity	$4,154,446	$3,304,187

Teradyne, Inc.

183 Essex Street
Boston, Massachusetts 02111
(617) 482-2700

Officers: Alexander V. d'Arbeloff, chairman of the board & president; G. Russell Ashdown, v.p.-Teradyne Central; George W. Chamillard, v.p.-operations; George V. d'Arbeloff, v.p.-customer service; Joseph B. Lassiter, III, v.p.-Manufacturing Systems Division; Dennis P. O'Connell, v.p.-sales; James A. Prestridge, v.p.-Semiconductor Test Division; Owen W. Robbins, v.p.-finance; John G. Turner, v.p.-Industrial/Consumer Division; Frederick T. Van Veen, v.p.-corporate relations; Stuart M. Osattin, treasurer; John P. McCabe, controller; Richard J. Testa, clerk.

Directors: Alexander V. d'Arbeloff, Henry M. Watts, Jr., Franklin P. Johnson Jr., Daniel S. Gregory, Walter L. Lingle, Jr., John H. McArthur, Richard J. Testa.

Areas of Work: Engaged in the design and manufacture of automatic and computer-operated instruments for testing semiconductors, electronic components, assemblies, certain types of printed circuit boards and networks; computer-operated laser-trimming systems for manufacturing hybrid circuits and film resistors; wire-wrap connectors and wire-wrapping service; and other electronic items. Also produces telephone line test systems, film resistors and wire-wrap connectors and backplane connection systems.

Divisions:

Semiconductor Test Division
Woodland Hills, California

Industrial-Consumer Division
Boston, Massachusetts

Teledyne Central
Northbrook, Illinois

Subsidiaries:

Teradyne S.A.
11 bis, Rue Roquepine
Paris VIII, France

Teradyne Holdings Limited
England
  Teradyne Limited
  Mark Instruments Limited

Teradyne Benelux, Inc.
Teradyne Hong Kong, Ltd.
Teradyne International, Inc.
Teradyne Japan, Ltd.
Teradyne Canada Limited
Teradyne Italia S.r.l.
Teradyne GmbH
Teradyne S.A.
Teradyne K.K.
Teradyne Korea, Ltd.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: TER

Number of Employees:

1981	3,050	1978	1,980
1980	3,050	1977	1,573
1979	2,550		

Plant F [illegible]

1981*	1,078,000 sq.ft.	1978*	527,000
1980*	1,024,000	1977*	479,000
1979*	937,000		

* Includes owned and leased facilities and space rented to tenants.

Sales and Earnings

	Net Sales	Net Income
1981	$ 159,942,000	$ 4,267,000
1980	164,970,000	11,370,000
1979	122,447,000	7,966,000
1978	91,663,000	6,704,000
1977	67,815,000	4,864,000

	No. of Com. Shares	Earn. per Share ‡
1981	4,155,654	$ 1.00
1980	4,053,437	2.75
1979	3,909,550	2.36
1978	3,248,643	2.03
1977	3,209,509	1.50

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 90,541,000	$ 21.79
1980	83,276,000	20.54
1979	68,205,000	17.45
1978	39,801,000	12.25
1977	32,079,000	9.99

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 159,942	$ 164,970
Cost of sales	89,239	91,578
Expenses	61,058	50,797
Interest expense	4,572	3,645
Income before taxes	$ 5,073	$ 18,950
Income taxes	806	7,580
Net Income	$ 4,267	$ 11,370

* Included in Costs and Expenses, Depreciation: $7,946,000 in 1981 and $6,047,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 544	$ 1,136
Accts. receiv., net	40,664	45,165
*Inventories	36,185	36,125
Federal & State inc. taxes	2,643	—
Prepaid expenses	2,079	1,587
Current Assets	$ 82,115	$ 84,013
#Fixed assets	79,422	58,075
Defer. charges & other assets	4,199	4,192
Total Assets	$ 165,736	$ 146,280

Liabilities

Notes payable	$ 5,426	$ 1,799
Mortg. note, curr.	845	112
Accts. payable	5,890	6,343
Accruals	4,947	4,924
Accrued payroll	3,213	2,518
Income taxes	683	4,690
Curr. Liabilities	$ 21,004	$ 20,386
Long-term note	46,917	37,602
Defered inc. taxes	7,274	5,016
+Common stock	526	513
Add. paid-in capital	40,585	37,600
Retained earnings	49,448	45,181
Reacquired stock	(18)	(18)
Total Liabilities & Shareholders' Equity	$ 165,736	$ 146,280

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.17	11.49
%Net Income to Sales	2.67	6.89
%Net Income to Equity	4.71	13.65
Sales to Inventories	4.42	4.57
Working Capital	$61,111,000	$63,627,000
Current Ratio	3.91	4.12
Shareholders' Equity	$90,541,000	$83,276,000

Terminal Data Corporation

21221 Oxnard Street
Woodland Hills, California 91367
(213) 887-4900

Officers: Michael Rothbart, chairman of the board & chief executive officer; Robert D. Hallock, president; Herman W. Pass, sr. v.p.; Samuel L. Greene, v.p.-marketing; Paul Barnes, v.p.-finance & treasurer; Ronald L. Whitney, v.p.-product support; Henry L. Foster, v.p.-special projects; Denis P. Bean, v.p.-OEM Programs & Contracts; Juliet P. Imes, v.p.-personnel; Tom Patel, v.p.-engineering; Sharon K. Franzen, secretary.

Directors: Michael Rothbart, chairman; Lachlan Foster, M.H. Jacobs, Paul G. McNamara, Milton McKay.

Areas of Work: Designs and manufactures computer controlled micrographics systems, microfilm cameras and controllers, and related products for use in on-line and off-line micrographics records management applications. Designs and manufactures film duplicating equipment.

Subsidiaries:

TDC Properties Corp.
21221 Oxnard Street
Woodland Hills, California 91367
(213) 887-4900

Remsco Manufacturing Inc.
951 Industrial Road
San Carlos, California 94077

Transfer Agent(s):

U.S. Stock Transfer Corporation
Beverly Hills, California 90211

Ticker Symbol: TERM (NASDAQ)

Number of Employees:

1980	375	1977	250
1979	275	1976	180
1978	250		

Plant Footage:

1981	130,000 sq. ft.	1978	74,000
1980	130,000	1977	74,000
1979	74,000		

Sales and Earnings

	Net Sales	Net Income †
1981	$ 23,289,186	$ 1,299,349
1980	14,374,130	503,488
1979	14,193,077	985,655
1978	9,335,781	568,516
1977	7,554,953	512,966

Terminal Data Corporation

	No. of Com. Shares ‡	Earn. Per Share ‡ †
1981	1,928,000	$ 0.68
1980	1,650,000	0.31
1979	1,637,000	0.58
1978	1,599,000	0.36
1977	1,571,000	0.33

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.
† Including extraordinary gain of $22,000 ($0.02 per share) in 1977.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	10% & 50%	—
1980	—	10%	—
1979	—	10%	—
1978	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 7,018,128	$ 3.64
1980	5,400,412	3.27
1979	4,164,620	2.57
1978	3,209,591	2.01
1977	2,606,288	1.66

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 23,289,186	$ 14,374,130
Cost of sales	17,205,804	10,791,550
Expenses	2,882,946	2,215,730
Oper. profit	$ 3,200,436	$ 1,366,850
Interest expense	739,184	500,927
Other income	(37,097)	(19,565)
Income before taxes	$ 2,498,349	$ 885,488
Income taxes	1,199,000	382,000
Net Income	$ 1,299,349	$ 503,488

Assets

As of Sept. 30	1981	1980
Cash	$ 666,685	$ 155,543
Receiv., net	4,008,081	3,537,690
*Inventories	7,232,859	5,654,121
Prepaid expenses	31,085	59,603
Current Assets	$ 11,938,710	$ 9,406,957
Notes receiv.	205,985	150,142
#Fixed assets	4,829,465	4,634,342
Other assets	319,621	371,633
Intangibles	610,293	643,876
Total Assets	$ 17,904,074	$ 15,206,950

Liabilities

Notes payable	$ —	$ 1,349,592
Long-term debt, curr.	454,322	304,111
Accts. payable	1,612,696	1,784,958
Contract deposits	449,857	106,306
Accruals	745,245	343,779
Accrued payroll	380,998	403,106
Warranty costs	48,815	61,472
Inc. taxes payable	396,747	180,251
Other taxes	61,027	41,285
Deferred inc. taxes	624,000	—
Curr. Liabilities	$ 4,773,707	$ 4,574,860
Deferred income	20,002	—
Long-term debt	5,798,057	4,788,478
Deferred inc. taxes	49,500	198,500
+ Redeem. pref.	244,700	244,700
+ + Common stock	1,281,130	1,097,475
Add. paid-in capital	4,616,442	3,394,251
Retained earnings	1,120,456	908,686
Total Liabilities & Shareholders' Equity	$ 17,904,074	$ 15,206,950

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.73	6.16
%Net Income to Sales	5.58	3.50
%Net Income to Equity	18.51	9.32
Sales to Inventories	3.22	2.54
Working Capital	$7,165,003	$4,832,097
Current Ratio	2.50	2.06
Shareholders' Equity	$7,018,128	$5,400,412

Texas Instruments Incorporated

P.O. Box 225474
13500 North Central Expressway
Dallas, Texas 75265
(214) 238-2011

Officers: Mark Shepherd, Jr., chairman & chief executive officer; J. Fred Bucy, president & chief operating officer; James L. Fischer, executive v.p.; Stewart Garrell, sr. v.p. & principal financial officer; C.M. Chang, Grant A. Dove, sr. v.p.'s; William J. Roche, sr. v.p., secretary & general counsel; Liston M. Rice, Jr., Sam K. Smith, Joseph D. Zimmerman, group v.p.'s; Donald W. Brooks, John Chandler, Jr., Charles M. Clough, Dale E. Cunningham, Doss D. Dunlop, William I. George, Robert J. Graebner, Rolf R. Haberecht, George H. Heilmeier, James M. Hubbard, Eric L. Jones, Jerry R. Junkins, Ronald F. Keener, Bernard H. List, Dolan K. McDaniel, Howard Moss, Edward P. O'Neill, Ronald J. Ritchie, William N. Sick, Jr., H. Dean Toombs, William P. Weber, William E. Wetsel, Dietmar Wolff, vice pesidents; Marvin M. Lane, Jr., v.p. & treasurer; Robert C. Pearson, v.p. & controller; Willis A. Adcock, Anthony F. Amante, Pierre J. Clavier, Nick C. Davis, James M. Eckhart, John V. Gilhooly, George M. Graham, Jr., Philip R. Gray, Jr., John R. Hanne, Eugene R. McFarland, Haller M. Moyers, Donald P. Mundell, Bruno Pagliuca, Eckhard Pfeiffer, Charles H. Phipps, Gerald R. Pierce, Kirk P. Pond, Walden C. Rhines, Hans J. Schuetze, Melvin Sharp, Thomas J. Snyder, Robert Stratton, Walter W. Thomsen, W. Joe Watson, John W. White, Charles R. Wofford, Weldon R. Word, asst. v.p.'s; William A. Aylesworth, Richard K. Hulton, Edgar D. Miller III, asst. treasurers; Clara C. O'Donnell, asst. secretary.

Directors: Mark Shepherd, Jr., chairman of the board; J. Fred Bucy, Eugene G. Fubini, S.T. Harris, Edward R. Kane, Paul F. Lorenz, Paul W. McCracken, Frederick Seitz, Bryan F. Smith, C.J. Thomsen, John C. Toomay, James M. Voss, John M. Walker.

Areas of Work: Semiconductor materials, multilayer circuit boards, integrated circuits, small, medium, and large scale arrays (MOS and Bipolar); microprocessors & microcomputors, transistors, diodes, rectifiers; digital seismic equipment, semiconductor materials, radar systems, electro-optic systems, ordnance hardware, classified electronics equipment; business, consumer and scientific calculators; electronic learning aids, opto-electronic devices; electronic and electro-mechanical parts and assemblies, safety and control devices; clad metals; digital computers and computer systems, electronic data terminals and teletypewriters, strip chart recorders, precision pressure instrumentation.

Product & Service Categories

Materials and Electrical Products
Services
Semiconductor Products
Equipment
Digital Systems
Consumer Products

All at:

P.O. Box 225474
Dallas, Texas 75265

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Republic Bank of Dallas
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): New York

Ticker Symbol: TXN

Number of Employees:

1981	83,714	1978	78,571
1980	89,875	1977	68,521
1979	85,779		

Plant Footage:

1980	19,800,000 sq.ft.	1977	12,200,000
1979	16,900,000	1976	11,000,000
1978	13,500,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 4,026,000	$ 108,500
1980	4,074,700	212,200
1979	3,224,126	172,891
1978	2,549,853	140,279
1977	2,046,456	116,638

	No. of Com. Shares ‡	Earn. per Share ‡
1981	23,483,000	$ 4.62
1980	23,021,000	9.22
1979	22,799,000	7.58
1978	22,794,000	6.15
1977	22,842,000	5.11

‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.00	—	—
1980	2.00	—	—
1979	2.00	—	—
1978	1.76	—	—
1977	1.41	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1981	$ 1,260,100	$ 53.66
1980	1,164,500	50.58
1979	952,900	41.80
1978	821,300	36.03
1977	723,900	31.69

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 4,206,000	$ 4,074,700
Cost of sales	3,238,700	2,922,800
Expenses	674,100	636,700
Retirement & prof. sh. plan	40,300	96,500
Oper. profit	$ 252,900	$ 418,700
Other income	—	4,600
Total	$ 252,900	$ 423,300
Interest expense	41,300	44,300
Prod. phaseout	36,600	—
Income before taxes	$ 175,000	$ 379,000
Income taxes	66,500	166,800
Net Income	$ 108,500	$ 212,200

* Included in Costs and Expenses, Depreciatio.: $333,300 in 1981 and $257,300,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term invest.	$ 150,000	$ 139,800
Accts. receiv., net	590,600	629,800
*Inventories	372,000	442,700
Prepaid expenses	84,300	87,000
Current Assets	$ 1,196,900	$ 1,299,300
#Fixed assets	1,105,500	1,097,400
Other assets & defer. charges	8,100	17,000
Total Assets	$ 2,310,500	$ 2,413,700

Liabilities
(000's)

Loans payable	$ 32,400	$ 170,400
Long-term debt, curr.	1,300	400
Accts. payable & accruals	614,300	630,400
Accrued retire. & prof. sh. plan	38,000	66,500
Dividends payable	11,800	11,600
Income taxes	67,000	92,100
Curr. Liabilities	$ 764,800	$ 971,400
Long-term, debt	211,700	211,700
Deferred charges	9,100	12,700
Deferred credits & other liab.	64,800	53,400
+ Common stock	23,700	23,400
Add. paid-in capital	181,200	149,500
Retained earnings	1,070,300	1,008,800
Treasury stock	(15,100)	(17,200)
Total Liabilities & Shareholders' Equity	$ 2,310,500	$ 2,413,700

* At lower of cost, current replacement cost, or est. realizable value.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.16	9.30
%Net Income to Sales	2.58	5.21
%Net Income to Equity	8.61	18.22
Sales to Inventories	11.31	9.20
Working Capital	$ 432,100,000	$ 327,900,000
Current Ratio	1.56	1.34
Shareholders' Equity	$1,260,100,000	$1,164,470,000

Texscan Corporation

2446 North Shadeland Avenue
Indianapolis, Indiana 46219
(317) 357-8781

Officers: Carl N. Pehike, chairman of the board & president; James A. Lukach, executive veice president & secretary; Norman L. Glew, v.p.-European Operations; Daniel F. Litterski, Edgardo Carballo, Raleigh B. Stelle, III, Norman A. Westcott, William P. Dawson, Berthold L. Henscheid, Robert J. Palie, v.p.'s; Steven R. McGill, treasurer; J. Michael Frost, asst. secretary.

Directors: Carl N. Pehlke, chairman; James A. Lukach, Daniel F. Litterski, William E. Croysdale, Keith E. Hodgin.

Areas of Work: Designs, manufactures and markets a broad line of CATV distribution and testing equipment which is sold under the Theta-Com trademark, and CATV character generation equipment which is sold under the MSI trade name. CATV distribution equipment includes trunk amplifiers, line extenders, passives, power supplies and subscriber taps. CATV character generation equipment is used primarily in weather reporting, news and other textual displays. Also designs, manufactures and markets multipoint distribution system ("MDS") down converters under the Theta-Com trademark. The principal purchasers of the Company's products are operators of CATV systems. In addition, the Company designs and manufactures RF testing equipment, including spectrum analyzers, sweep signal generators, oscilloscopes, microwave filters, and coaxial components for laboratory, communications and industrial uses under the Texscan trademark.

Divisions and Subsidiaries:

Instruments & Components Division
2446 North Shadeland Avenue
Indianapolis, Indiana 46219
(317) 357-8781

Texscan MSI Corporation
3855 South 500 West
Suite S
Salt Lake City, Utah 84115
(801) 262-8475

Theta-Com CATV Division
2960 Grand Avenue
Phoenis, Arizona 85061
(602) 252-5021

Texscan Export Division
1 Northbridge Road
Berkhamsted, Hertfordshire
England

Texscan GmbH
Peschelanger II
D-8000 Munich 83
West Germany

Texscan Instruments Limited
One Northbridge Road
Berkhamsted, Hertfordshire
England

Texscan de Mexico
Melquiades Alanis y
Fray Juan De Zumarraga
Apdo. Postal 2416
Ciudad Juarex, Chihuahua
Mexico

Texacan Corporation
11500 Rojos Drive
El Paso, Texas 79936
(915) 591-4431

Transfer Agent(s):

American National Bank & Trust Co. of Chicago
LaSalle at Washington
Chicago, Illinois 60690

Stock Exchange(s): American

Ticker Symbol: TXS

Number of Employees:

1981	900	1978	350
1980	750	1977	240
1979	455		

Number of Stores: (at fiscal year end)

1980	123,000 sq. ft.	1977	70,000
1979	86,000	1976	22,000
1978	70,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 27,654,154	$ 2,011,861
1980	16,095,910	809,698
1979	10,797,855	324,574
1978	9,714,832	219,608
1977	7,879,848	157,874

	No. of Com. Shares +	Earn per Share ‡ +
1981	3,468,582	$ 0.58
1980	2,570,236	0.32
1979	2,342,398	0.14
1978	2,297,820	0.10
1977	2,213,446	0.07

‡ Including extraordinary gain of $29,000 ($0.01 per share) in 1977.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1 & 6-for-5
1980	—	10%	—
1979	—	3%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 16,117,851	$ 4.65
1980	4,323,839	1.68
1979	2,789,025	1.19
1978	2,337,550	1.02
1977	2,117,037	0.96

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 27,654,154	$ 16,095,910
Cost of sales	17,203,702	10,251,440
Expenses	6,686,090	3,999,272
Interest expense	413,224	536,500
Interest income	(322,723)	—
Income before taxes	$ 3,573,861	$ 1,308,698
Income taxes	1,662,000	499,000
Net Income	$ 2,011,861	$ 809,698

* Included in Costs and Expenses, Depreciation and Amortization: $477,351 in 1981 and $269,641 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 616,629	$ 158,534
Temp. invest.	4,000,000	—
Receiv., net	6,988,446	3,733,714
*Inventories	7,486,858	4,639,422
Prepaid expenses	309,052	254,601
Current Assets	$ 19,400,985	$ 8,786,271
#Fixed assets	1,799,837	818,758
Other assets	1,324,398	784,610
Total Assets	$ 22,525,220	$ 10,389,639

Liabilities

Notes payable	$ —	$ 2,734,792
Long-term debt,curr.	49,109	183,940
Accts. payable	3,734,889	1,936,948
Accruals	439,825	417,156
Accrued payroll	335,490	154,153
Inc. taxes	918,463	311,827
Taxes	610,656	146,512
Deferred inc. taxes	93,413	53,000
Curr. Liabilities	$ 6,182,295	$ 5,938,328
Long-term debt	53,253	57,790
Deferred inc. taxes	171,821	69,682
+ Common stock	12,535,010	3,408,175
Add. paid-in capital	942,129	286,813
Retained earnings	2,640,712	628,851
Total Liabilities & Shareholders' Equity	$ 22,525,220	$ 10,389,639

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Texscan Corporation

Statistical Summary

%Income bef. Taxes to Sales	13.29	8.13
%Net Income to Sales	7.28	5.03
%Net Income to Equity	12.48	18.73
Sales to Inventories	3.69	3.47
Working Capital	$13,218,690	$2,847,943
Current Ratio	3.14	1.48
Shareholders' Equity	$16,117,851	$4,323,839

Textron Inc.

40 Westminster Street
Providence, Rhode Island 02903
(401) 421-2800

Officers: Robert P. Straetz, chairman of the board & chief executive officer; B.F. Dolan, president & chief operating officer; Robert S. Ames, exec. v.p.-aerospace; William J. Ledbetter, exec. v.p.-finance & administration; J. Joseph Kruse, sr. v.p.-admin.; John B. Henderson, sr. v.p.-Washington office; Charles F. Chapin, Egil G. Ruud, Louis S. Bishop, George H. Hartmann, Edmund V. Marshall, group vice presidents; Edward O. Handy, Jr., v.p.-employee benefits; Thomas D. Soutter, sr. v.p. & general counsel; Willard R. Gallagher, v.p.-intl.; Ronald A. Van Brocklyn, v.p. & controller; Maurice G. Wilkins, Jr., v.p. & treasurer; Rita Powers, v.p. & secretary; Raymond W. Caine, Jr., v.p. corporate communications.

Directors: Richard T. Baker, Carlo Bombieri, Dante C. Fadani, James R. Martin, Sam F. Segner, Paul M. Fye, Robert P. Straetz, Clarence H. Gifford, Jr., Webb C. Hayes III, R. Heath Larry, Barbara Scott Preiskel, Jean Head Sisco, Howard R. Swearer, B.F. Dolan.

Areas of Work: Manufactures many products in the aerospace, consumer, industrial and metal products field. Also in fields of investment.

Divisions:

Aerospace & Electonics Group

Bell Aerospace Textron
P.O. Box One
Buffalo, New York 14240
Rocket engines, communications and air cushion systems, aircraft landing systems, missile and spacecraft propulsion systems, rocket propellant tanks, inertial instruments, chemical lasers and coal gasification systems.

Bell Helicopter Textron
P.O. Box 482
Fort Worth, Texas 76101
Military and commercial helicopters and vertical lift aircraft, systems integration.

HR Textron Inc.
25200 West Rye Canyon Road
Valencia, California 91355
Hydraulic control systems, electro-hydraulic servovalves, fuel management systems, thruster valve and test equipment.

Basic Microelectronics
P.O. Box 12335
Lake Park, Florida 33403
Produces photomask substrates and other products for semiconductor industry which require thin film coatings.

Industrial Products Group

CWC Castings
Henry Street
Muskegon, Michigan 49441
Iron castings for engine blocks, camshafts, cylinder heads, gears, manifolds, housings, transmission cases and other ferrous casting applications.

Spencer Kellogg
P.O. Box 807
Buffalo, New York 14240
Chemical and oilseed products, raw materials for paint and coatings, adhesives, printing inks and related markets.

Sprague Meter
35 South Avenue
Bridgeport, Connecticut 06601
Gas meters and pressure regulators, pipe-line repair and service fittings for gas, water and industrial markets.

Randall
10179 Commerce Park Drive
Cincinnati, Ohio 45246
Manufactures metal and plastic parts and trim used in the automotive and appliance industries.

Specialty Consumer Group

Gorham
333 Adelaide Avenue
Providence, Rhode Island 02907
Sterling silver, silver-plated, pewter and stainless steel flatware; and holloware, giftware, jewelry, bronze memorial, fine crystal and china.

Sheaffer Eaton
75 So. Church Street
Pittsfield, Massachusetts 01202
Writing instruments, desk sets, social stationery, personal record and appointment books, typewriter paper, correction fluid and tapes, report folders.

Shuron
P.O. Box 331
40 Humboldt Street
Rochester, New York 14601
Eyeglass frames, lenses.

Speidel
70 Ship Street
Providence, Rhode Island 02903
Wristwatch bands, identification bracelets, digital watches, jewelry, men's toiletries.

Valentine Sands
210 Albert Road
South-Melbourne, Australia 3205
Greeting cards, games and toys, security and color printing, business forms, books and magazines, computer and phototypesetting services.

Engineered Fasteners Group

Camcar
600 18th Avenue
Rockford, Illinois 61101
Cold headed metal parts, proprietary and special fasteners for aerospace, automotive, railroad, and appliance industries.

Townsend
P.O. Box 370
1015 Seventh Avenue
Beaver Falls, Pennsylvania 15010
Special fasteners and cold formed metal parts for aerospace, automotive, railroad, metal working, industrial construction industries, fastening systems; installation tools and automatic fastening machines saw chain and accessories.

Bostitch
South County Trail
East Greenwich, Rhode Island 02818
Staplers and staples, stapling hammers, pneumatic nailers, wire stitchers, desk-top card files.

Bridgeport Machines
500 Lindley Street
P.O. Box 32
Bridgeport, Connecticut 06601
Vertical and horizontal milling machines, grinders. Tru-Trace electronic and hydraulic machine tool control systems, numerical control systems, vertical machining centers.

Waterbury Farrel
Route # 10 & West Johnson Avenue
Cheshire, Connecticut 06410
Cold and hot heading machines, and presses, rolling mills, gear hobbing machines, precision surface grinders.

Venture Capital and Financing Group

American Research and Development
One Beacon Street
Boston, Massachusetts 02108
Investments in new and developing enterprises stressing advanced products and proprietary ideas, including environmental sciences, medical and health sciences, computer-related businesses and innovative advanced technological products.

Textron Financial Corporation
1225 North County Road 18
P.O. Box 9354
Minneapolis, Minnesota 55440
Financing and leasing programs to Textron Divisions to facilitate sale of their products.

Outdoor Products Group

Homelite
14401 Carowinds Boulevard
P.O. Box 7047
Charlotte, North Carolina 28217
Chain saws, string trimmers, generators, pumps.

Jacobsen
1721 Packard Avenue
Racine, Wisconsin 53403
Lawn mowers, snow throwers, lawn and garden tractors; commercial turf maintenance equipment.

E-Z-Go
P.O. Box 388 (13)
Augusta, Georgia 30912
Produces gas and electric golf carts and utility vehicles.

Machine Tool & Precision Bearing Group

Fafnir Bearing
P.O. Box 1325
37 Booth Street
New Britain, Connecticut 06050
Precision ball, roller and sliding bearings for industrial, aerospace and farm equipment fields.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, N. Y. 10015

Stock Exchange(s): New York, Midwest, Pacific.

Ticker Symbol: TXT

Number of Employees:

1981	49,000	1978	70,000
1980	61,000	1977	64,000
1979	64,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1981	$ 3,328,000	$ 151,800
1980	3,338,300	86,100
1979	3,057,200	169,801
1978	2,901,000	168,075
1977	2,491,500	136,866

	No.of Com. Shares #	Earn. per Share #
1981	37,415,000	$ 4.06
1980	37,474,000	2.30
1979	37,651,000	4.51
1978	37,586,000	4.47
1977	37,511,000	3.65

+ Of continuing operations only.
# Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981 (000's)	%	1980 (000's)	%
Aerospace & electric	$1,154,000	35%	$ 1,129,000	34%
Outdoor prod.	386,000	12	430,000	13
Specialty consumer	462,000	14	456,000	13
Machine tool & precision bearing	560,000	17	596,000	18
Engineering fasteners	414,000	12	398,000	12
Industrial prod.	352,000	10	329,000	10
Total	$3,328,000	100%	$ 3,338,000	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.80	—	—
1980	1.80	—	—
1979	1.80	—	—
1978	1.60	—	—
1977	1.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$1,089,830,000	$ 32.40
1980	989,780,000	29.71
1979	914,115,000	28.47
1978	736,274,000	25.34
1977	577,467,000	22.73

‡After allowing for preferred stock at redemption values.

Income Account *
(000's)

Year ended	1/2/82	1/3/81
Net sales	$ 3,328,000	$ 3,338,300
Cost of sales	2,481,400	2,481,800
Expenses	504,300	466,800
Depreciation	65,100	64,300
Interest income	(12,900)	(8,800)
Interest expense	43,200	40,900
Income before taxes	$ 246,900	$ 293,300
Income taxes	101,100	125,500
Income-cost oper.	$ 145,800	$ 167,800
Income(loss)-discount oper.	6,000	(81,700)
Net Income	$ 151,800	$ 86,100

Assets
(000's)

As of	1/2/82	1/3/81
Cash	$ 16,600	$ 15,500
Marketable securities	1,000	5,300
Accts.receiv.,net	466,900	532,100
Refundable taxes	31,500	30,700
*Inventories	994,400	888,800
Prepaid expenses	19,700	13,400
Assets of discount oper.	—	98,000
Current Assets	$ 1,530,100	$ 1,583,800
Investments	126,700	125,700
#Fixed assets	438,500	406,000
Other assets	57,900	27,500
Intangibles	42,500	44,400
Total Assets	$ 2,195,700	$ 2,187,400

Liabilities
(000's)

Short-term debt.curr.	$ 78,600	$ 83,300
Long-term debt.curr.	8,100	5,500
Accts. payable	191,300	250,700
Income taxes	71,800	72,700
Other liabilities	302,200	283,300
Curr. Liabilities	$ 652,000	$ 695,500
Long-term debt	286,800	301,600
Deferred invest.tax credits	18,500	18,100
Other liabilities	11,400	18,400
+Preferred stock:		
$2.08 Cum.conv.	49,600	59,400
$1.40 Convertible	15,200	16,700
++Common stock	8,800	8,700
Add.paid-in capital	131,900	120,600
Retained earnings	1,067,500	983,000
Treasury stock	(46,000)	(34,600)
Total Liabilities & Shareholders' Equity	$ 2,195,700	$ 2,187,400

*At LIFO. The remainder at lower of cost (FIFO) or market.
#Less accumulated depreciation.
+No par value.
++$0.25 par value.

Statistical Summary

%Net Income to Equity	12.37	7.46
Sales to Inventories	3.35	3.76
Working Capital	$ 878,100,000	$ 888,300,000
Current Ratio	2.35	2.28
Shareholders' Equity	$1,227,000,000	$1,153,800,000

Thermo Electron Corporation

101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254
(617) 890-8700

Officers: George N. Hatsopoulos, president & chief executive officer; Peter G. Pantazelos, exec. v.p.; Robert C. Howard, sr. v.p.; John P. Appleton, v.p.-research & development; Walter J. Bornhorst, v.p.-corp. planning & group exec.; John H. Dendahl, v.p.-administration & controller; John N. Hatsopoulos, v.p.-corp. strategy & group executive; Paris L. Nicolaides, v.p. & group exec.; Thomas F. Widmer, v.p.-engineering; Paul F. Ferrari, treasurer; Alexander L. Keyes, secretary.

Directors: George N. Hatsopoulos, Robert A. McCabe, Alexander V. d'Arbeloff, Peter O. Crisp, Edward Teller, Frank Jungers, Roger W. Sant, Thomas I. Unterberg, Elias P. Gyftopoulos.

Areas of Work: Develops and manufactures paper making equipment, microprocessor based process control instruments, heat treating equipment, thermionic converters and related components, marine gasoline engines, air monitoring systems and pollution control systems, and special high temperature alloys; nuclear radiation detection instruments, analytical services, and dosimeters; develops heat recovery systems and biomedical systems; also provides metallurgical services.

Divisions and Subsidiaries:

Instruments Division

Environmental Intruments
108 South Street
Hopkinton, Massachusetts 01748

Analytical Instruments
101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254

Eberline
Airport Road
P.O. Box 2108
Santa Fe, New Mexico 87501

Air Monitoring
2015 Bellaire Avenue
Royal Oak, Michigan 48067

Environmenal Analysis Laboratoy
2030 Wight Avenue
Richmond, California 94804

Thermo Electron Limied
Woolborough Lane
Crawley, West Sussex RH10 2AQ
England

Thermo Electron Nippon Co., Ltd.
3-5-1[illegible] Minami-Nakaburi
Hiakabo, Osaka Japan

Van Hengel Instruments B.V.
Heerbaan 220
Breda
The Netherlands

Van Hengel Instrumente GmbH
Zaiertalerstrasse 24-26
6908 Wiesloch
West Germany

Power Systems Division
Research, development and manufacturing programs related to the conversion of energy and the generation of power.

Energy Systems
101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254

Marine Engines
7100 East 15 Mile Road
Sterling Heights, Michigan 48077

Metallurgical Equipment Division
Designs, develops, manufactures and markets controlled atmosphere furnaces and associated equipment for industrial heat-treating processes.

Loftus
5 Gateway Center
Pittsburgh, Pennsylvania 15222

Holcroft
12068 Market Street
Livonia, Michigan 48150
(313) 261-8410

Holcroft & Company (Canada) Ltd.
94 Bessemer Court
London, Ontario, Canada N6E 1K7

NAPCO, Inc.
NAPCO Drive
P.O. Box 26
Terryville, Connecticut 06786

Mill Equipment Division
Designs, Ddevelops and manufactures equipment used on papermaking machines; develops new products which reduce pollution and the consumption of water and energy for the papermaking industry.

Lodding Engineering Corporation
Sword Street
P.O. Box 269
Auburn, Massachusetts 01501

AER Corporation
100 Hilltop Road
Ramsey, New Jersey 07446

Termo Electron, S.A. de C.V.
Lago Como Num, 128-A
Colonia Anahuac, Mexico 17, D.F.

Winterburn Ltd.
P.O. Box 6,
Riverside Works,
Woodhill Road
Bury, Lancashire, BL8 1DF England

Thermo Electron(Canada) Inc.
6875 Bombardier Street,
St. Leonard, P.Q., H1P 3A1 Canada

Lodding do Brasil, Ltda.
Rua Domingos Jorge No. 676
04761 Sao Paulo, Brazil

Overly
211 Jackson Street
P.O. Box 568
Neenah, Wisconsin 54956

Metallurgical Services Division
Provides heat-treating services, including hardening, annealing, stress relieving normalizing and tempering; fabricates specialized refractory metals and components for the nuclear, chemical, aerospace and electronics industries.

SCAT Division
2829 East Washington Boulevard
Los Angeles, California 90023

Metal Treating Division
1575 West Pierce Street
Milwaukee, Wisconsin 53204

Cal-Doran Division
2830 East Washington Boulevard
Los Angeles, California 90023

TEMS Division
411 Jackson Hill Street
Houston, Texas 77007

Perfection Heat Treating Division
24200 Plymouth Road
Detroit, Michigan 48239

Thermo Electron Corporation

Metallurgical, Inc.
900 East Hennepin Avenue
Minneapolis, Minnesota 55414

Metals Division
115 Eames Street
Wilmington, Massachusetts 01887

R & D New Business Division
45 First Avenue
P.O. Box 02254
Waltham, Massachusetts 02254

Acquisition(s):

NAPCO, Inc.
P.O. Box 26
Terryville, Connecticut 06786

Manufactures automated electroplating systems used in the production of printed circuit boards.

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: TMO

Number of Employees:

1980	2,600	1977	1,225
1979	2,300	1976	1,015
1978	1,633		

Plant Footage:

1980	1,048,000 sq.ft.	1977	676,000
1979	904,000	1976	620,000
1978	745,000		

Sales and Earnings

	Net Sales ‡	Net Income
1981	$ 193,886,000	$ 8,208,000
1980	163,806,000	7,242,000
1979	117,517,000	5,016,000
1978	94,382,000	3,249,000
1977	56,256,000	1,938,000

	No. of Com. Shares +	Earn. per Share +
1981	4,329,019	$ 1.90
1980	3,858,877	1.88
1979	3,125,397	1.60
1978	2,983,575	1.09
1977	2,956,749	0.66

* 53 weeks.
‡ Includes other income.
+ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Engineered industrial prods.	$ 120,691	$ 107,883
Environmental and health instruments	44,945	30,999
Metallurgical services	28.250	24,924
Sponsored research	16,133	10,824
Total	$ 210,019	$ 174,630

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 81,636,000	$ 18.86
1980	71,414,000	18.51
1979	45,890,000	14.68
1978	34,725,000	11.64
1977	31,065,000	10.51

+ Based on weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	6/27/81	6/28/80
Net sales & revenues	$ 210,019,000	$ 174,630,000
Cost of sales	150,060,000	127,568,000
Expenses	44,479,000	35,564,000
Other income	(2,894,000)	(1,799,000)
Interest expenses	3,478,000	2,002,000
Income before taxes	$ 14,896,000	$ 11,295,000
Income taxes	6,688,000	4,053,000
Net Income	$ 8,208,000	$ 7,242,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,328,000 in 1981 and $3,537,000 in 1980.

Assets

As of	6/27/81	6/28/80
Cash	$ 2,781,000	$ 115,000
Short-term invest.	8,800,000	597,000
Accts. receiv., net	43,934,000	35,061,000
Unbilled contract & fees	18,827,000	13,289,000
*Inventories	26,673,000	21,194,000
Prepaid expenses	1,676,000	911,000
Current Assets	$ 102,691,000	$ 71.167,000
#Fixed assets	55,110,000	38,521,000
Other assets	3,453,000	1,208,000
Intangibles	26,290,000	12,713,000
Total Assets	$ 187,544,000	$ 123,609,000

Liabilities

Notes payables	$ 1,347,000	$ 751,000
Long-term debt, curr.	1,385,000	1,542,000
Accts. payable	20,109,000	11,820,000
Intangibles	4,745,000	3,575,000
Accruals & misc. taxes	15,219,000	9,968,000
Income taxes	12,273,000	7,282,000
Curr. Liabilities	$ 55,078,000	$ 34,938,000
Long-term debt.	47,379,000	14,577,000
Deferred inc. taxes	3,451,000	2,680,000
+Common stock	4,380,000	4,291,000
Add. paid-in capital	44,292,000	42,378,000
Retained earnings	33,014,000	24,806,000
Prepaid compensation	(50,000)	(61,000)
Total Liabilities & Shareholders' Equity	$ 187,544,000	$ 123,609,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes Revenues	7.09	6.47
%Net Income to Revenues	3.91	4.15
%Net Income to Equity	10.05	10.14
Working Capital	$47,613,000	$36,229,000
Current Ratio	1.86	2.04
Shareholders' Equity	$81,636,000	$71,414,000

Thiokol Corporation

P.O. Box 1000
Newtown-Yardley Road
Newtown, Pennsylvania 18940
(215) 968-5911

Officers: Robert E. Davis, chairman of the board & president; James M. Stone, group v.p.-govt. systems; J. Jay Stewart, group v.p.-chemical; Edward R. Kearney, v.p.-corp. relations & development; Antonio L. Savoca, v.p. & gen. mgr.-Wasatch Div.; John H. Goodloe, v.p. & gen. mgr.-Huntsville Div.; Albert P. Roeper, v.p.-finance & treasurer; Bruce Key, v.p.-legal & secretary; Frank J. Cunnane, v p.-industrial relations; George J. Donovan, v.p.-corporate marketing; James R. Stanley, asst. secretary; James H. McLean, asst. treasurer; Thomas F. McDevitt, controller.

Directors: James E. Hughes*, James K. Campbell*, Dennis C. Fill, Albert P. Roeper*, Ralph M. Barford*, Robert E. Davis*, Harry H. Wetzel, Barry J. Shillito, Tommy D. Greer.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Chemical Group
Newtown, Pennsylvania 18940

Polysulfide liquid polymers; polysulfide rubbers; hydrocarbon liquid polymers; epoxy modifiers; low temperature plasticizers; ethoxylates; monomers for radiation-curing systems; chemical intermediates; disc brake pads, dry film polymers; liquid photo resists; electroless copper solutions; ultra-violet-curable screen inks, solder masks, marking inks; resist developers and strippers; plastic additives and circuit board cleaners.

Specialty Chemicals Division
Trenton, New Jersey 08650
Moss Point, Mississippi 39563

Friction Division
Trenton, New Jersey 08638

Thiokol Chemicals Limited
Specialty Chemical Division
Coventry, Warwickshire, England

Thiokol Canada Limited
Toronto, Ontario, Canada

Toray Thiokol Co. Ltd. (50% owned)
Tokyo, Japan

Dynachem Corporation
Tustin, California 92680

Thiokol Photochemicals Ltd.
Warrington, England

Thiokol France S.A.
Igny, France

Dynachem Deutschland GmbH
Frankfurt, West Germany

Thiokol Photochemicals N.V.
Wommelgen, Antwerp, Belgium

Ventron Division
Beverly, Massachusetts 01915
Danvers, Massachusetts 01923
Chicago, Illinois 60623
Elma, Washington 98541

Alfa Products
Danvers, Massachusetts 01923

Ventron GmbH
Karlsruhe, West Germany

Southwest Chemical Services Incorporated
Houston, Texas 77002

Southwest Plastic Europe, S.A.
Pepinster, Belgium

Pacer Lubricants, Inc.
Houston, Texas 77009

Southwest Screens & Filters, Inc.
Nessonvaux, Belgium

George A. Williams & Son Division
Berkeley Heights, New Jersey 07922

Mettle Division
Houston, Texas

Government Systems Group
Ogden, Utah 84409

Strategic, tactical, space and general purpose solid rocket motors; air-and ground-launched flares; conventional artillery munitions; special ordnance devices; gas generators; waste treatment systems, and meteorological measuring devices.

Elkton Division
Elkton, Maryland 21921

Huntsville Division
Huntsville, Alabama 35807

Utah Division
Ogden, Utah 84403

Longhorn Division
Marshall, Texas 75670

Wasatch Division
Brigham City, Utah 84302

Louisiana Division
Minden, Louisiana 71130

Transfer Agent(s):

Bradford Trust Company
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): New York

Ticker Symbol: THI

Number of Employees:

1981	8,889	1978	10,797
1980	10,475	1977	8,782
1979	10,406		

Plant Footage:

1981	8,909,526 sq. ft.	1978	10,312,081
1980	8,987,597	1977	9,565,907
1979	10,235,174		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 720,623,000	$ 37,112,493
1980	622,657,000	32,366,910
1979	533,252,000	40,086,276
1978	450,604,000	25,843,993
1977	332,837,000	21,452,515

	No. of Com. Shares #	Earn. per Share #
1981	11,611,000	$ 3.20
1980	11,574,000	2.80
1979	11,537,000	3.47
1978	11,490,000	2.25
1977	11,468,000	1.87

+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Government systems:		
Propulson	$ 336,404,000	$ 272,893,000
Ordnanace	67,621,000	64,740,000
Specialty Chemicals	316,598,000	285,024,000
Total	$ 720,623,000	$ 622,657,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$1.08	—	—
1980	0.94	—	2-for-1
1979	0.74	—	—
1978	0.64	—	—
1977	0.51	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 251,685,461	$ 21.88
1980	226,493,629	19.83
1979	204,492,048	17.93
1978	171,667,046	15.16
1977	152,859,402	13.53

† Adjusted to reflect stock split.

Income Account *

Year ended	1/3/82	12/28/80
Net sales	$ 720,623,349	$ 622,656,780
Cost of sales	571,735,918	490,378,113
Expenses	66,733,996	61,760,933
Depreciation	21,763,331	17,076,893
Interest expense	1,826,034	2,096,130
Interest income	(8,174,978)	(6,480,077)
Other expense (income)	141,802	(433,087)
Income before taxes	$ 66,597,246	$ 58,257,875
Income taxes	29,677,000	27,505,000
Inc. from cont. oper.	$ 36,920,246	$ 30,752,875
Inc. from discont. oper	192,247	1,614,035
Net Income	$ 37,112,493	$ 32,366,910

Assets

As of	1/3/82	12/28/80
Cash	$ 3,270,180	$ 2,970,250
Investments	57,448,912	33,553,998
Receiv., net	87,487,890	103,422,011
*Inventories	89,213,954	77,972,964
Prepaid expenses	5,200,023	5,454,445
Current Assets	$ 242,620,959	$ 223,373,668
Notes receiv. & other	13,964,160	6,987,601
#Fixed assets	174,165,087	169,570,081
Patents & intangibles	36,980,998	39,113,882
Total Assets	$ 467,731,204	$ 439,045,232

Liabilities

Notes payable	$ —	$ 332,943
Long-term debt, curr.	1,366,930	1,960,789
Accts. payable	45,298,577	54,799,246
Accruals	40,311,701	36,152,356
Dividends payable	3,162,922	2,855,476
Income taxes	34,255,719	46,814,091
Curr. Liabilities	$ 124,395,849	$ 142,914,901
Long-term debt	4,971,414	7,633,236
Deferred inc. taxes	86,678,480	62,003,466
+Common stock	12,035,126	12,035,126
Add. paid-in capital	38,940,434	39,036,155
Retained earnings	203,803,632	179,028,295
Treasury stock	(3,093,731)	(3,605,947)
Total Liabilities & Shareholders' Equity	$ 467,731,204	$ 439,045,232

* At lower of cost (average or FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.75	14.29
Sales to Inventories	8.08	7.99
Working Capital	$118,225,110	$ 80,458,767
Current Ratio	1.95	1.56
Shareholders' Equity	$251,685,461	$226,493,629

Thomas & Betts Corporation

920 Route 202
Raritan, New Jersey 08869
(201) 685-1600

Officers: J. David Parkinson, chairman of the board and chief executive officer; T. Kevin Dunnigan, president & chief operating officer; Robert V. Berry, v.p.-finance; Edward D. Thomas, v.p.-corp. development; Robert E. Claude, v.p.-int'l; James D. Hay, v.p. & general counsel; Ronald P. Babcock, v.p. & controller; John F. Walsh, v.p.-human resources; David M. Houlihan, Edward J. Dixon, Jr., group v.p.; J.W. Kearny Hibbard, treasurer; Janice H. Way, secretary.

Directors: J. David Parkinson, chairman; Ian M. Ross, Nestor J. MacDonald, Edward D. Thomas, William R. Hartman, Louis Putze, Peter Cartmell, J. Wendell Crain, Robert V. Berry, Frederick Bartenstein, Jr., Hobart Betts, T. Kevin Dunnigan, Norma Minton Lamer.

Areas of Work: Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include tools that cut, strip, and identify wires and conduits; connectors that splice or terminate wires; markers that label wires; wire fittings; flat cables; flexible circuits.

Divisions and Subsidiaries:

T&B Electrical Group
920 Route 202
Raritan, New Jersey 08869
(201) 685-1600

Thomas & Betts France, S.A.
57, Place de la Seine
Silic 120
94513 Rungis Cedex
France

Thomas & Betts GmbH
6072 Dreieich
Siemenstrasse 11
West Germany

Thomas & Betts S.p.A.
Via Archimede 19
Angolo P. de Labriola
20092 Cinisello Balsamo (Mi)
Italy

Thomas & Betts International, Inc.
Sedgwick Road
Luton LU4 9DT
Bedfordshire, England

Thomas & Betts Limited
Thomas & Betts Maufacturing, Ltd.
P.O. Box 30
700 Thomas Boulevard
Iberville, Quebec J2X 2M9
Canada

Thomas & Betts Pty. Limited
11 Inman Road, Dee Why West
N.S.W.
P.O. Box 91
Brookvale 2100, N.S.W.
Australia

T&B/Ansley Corporation
3208 Humboldt Street
Los Angeles, California 90031

Thomas & Betts Japan K.K.
11-12 Fujimidai 4-chome
Kunitachi, Tokyo 186
Japan

Doylestown Manufacturing Corporation
Old Easton Road
Doylestown, Pennsylvania

Thomas & Betts Aktiebolag
Breddenvagen 31
19400 Upplands Vasby
Sweden

Thomas & Betts de Mexico, S.A. de CV
Alberto J. Pani 165
Cto. Economistas
Cd. Satellite
Edo de Mexico, Mexico

Thomas & Betts (S.A.) (Pty) Ltd.
P.O. Box 27169
31 Raebor Road
Benrose 2011
South Africa

Thomas & Betts Limited
Thomas & Betts Manufacturing Limited
England

Thomas & Betts (S.E. Asia) Pte. Ltd.
Unit 105, First Floor
Haingkie Industrial Complex
50 Genting Lane
Singapore 1334

Acquisition(s):

Excel Products Company
New Brunswick, New Jersey
Manufactures logic packaging panels, DIP Sockets, and back plane wiring components and systems.

Thomas & Betts Corporation

Transfer Agent(s):

Fidelity Union Bank
Stock Transfer Department
P.O. Box 1309
Newark, New Jersey 07101

First Interstate Bank of California
Stock Transfer Department
Box 54261
Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): New York, Pacific

Ticker Symbol: TNB

Number of Employees:

1981	3,000	1978	2,750
1980	3,000	1977	2,530
1979	3,000		

Plant Footage:

1981	1,728,000 sq. ft.	1978	1,551,000
1980	1,728,000	1977	1,300,000
1979	1,551,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 268,600,000	$ 33,363,000
1980	254,000,000	32,500,000
1979	226,400,000	30,016,000
1978	189,860,000	25,375,000
1977	157,573,000	20,765,000

	No. of Com. Shares	Earn. per Share ‡
1981	7,737,294	$ 4.31
1980	7,712,086	4.22
1979	7,687,586	3.91
1978	7,678,880	3.30
1977	7,691,247	2.70

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.92	—	—
1980	1.72	—	—
1979	1.52	—	—
1978	1.26	—	—
1977	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 177,595,000	$ 22.96
1980	159,748,000	20.73
1979	139,834,000	18.19
1978	121,206,000	15.76
1977	106,043,000	13.79

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 268,600	$ 254,000
Cost of sales	129,041	118,782
Expenses	69,748	65,158
Other income	(1,076)	(216)
Research & develop.	13,059	11,926
Income before taxes	$ 57,828	$ 58,350
Income taxes	24,465	25,850
Net Income	$ 33,363	$ 32,500

* Included in Costs and Expenses, Depreciation: $8,101,000 in 1981 and $6,972,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & invest.	$ 33,150	$ 33,201
Accts. receiv., net	35,003	34,154
*Inventories	83,699	74,522
Prepaid expenses	5,735	3,372
Current Assets	$ 157,587	$ 145,249
#Fixed assets	68,901	63,810
Defer. charges & other assets	1,425	1,112
Total Assets	$ 227,913	$ 210,171

Liabilities
(000's)

	1981	1980
Notes payable	$ 13,714	$ 13,713
Long-term debt, curr.	160	152
Accts. payable	8,992	8,497
Accruals	8,699	7,888
Dividends payable	3,716	3,320
Income taxes	8,099	9,502
Curr. Liabilities	$ 43,380	$ 43,072
Long-term debt	3,369	2,901
Deferred inc. taxes	3,569	4,450
+Common stock	3,922	3,893
Add. paid-in capital	15,760	13,579
Retained earnings	163,104	144,605
For. curr. translation adjustment	(1,216)	—
Treasury stock	(3,975)	(2,329)
Total Liabilities & Shareholers' Equity	$ 227,913	$ 210,171

* At lower of standard cost or market, and at lower of appropriate year's standard cost or current market.
# Less accumulated depreciation
+ $0.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	21.53	22.97
%Net Income to Sales	12.42	12.80
%Net Income to Equity	18.79	20.34
Sales to Inventories	3.21	3.41
Working Capital	$114,207,000	$102,177,000
Current Ratio	3.63	3.37
Shareholders' Equity	$177,595,000	$159,748,000

TII Industries, Inc.

1375 Akron Street
Copiague, New York 11726
(516) 789-5000

Officers: Alfred J. Roach, chairman of the board; Timothy J. Roach, president; Gerald L. Fingerhut, v.p.-finance; Frances Giambanco, v.p.-administration; Donald M. Worden, v.p.-marketing & sales; C. Bruce Barksdale, v.p.-product development; John M. Cawley, v.p.-engineering, TII New York; James A. Glaser, v.p.,-corp. development, TII New York; John T. Hyland, Jr., v.p.& controller-TII New York; Lillian Rugolo, controller-TII New York; Peter C. Fridman, v.p.-gen. mgr.-TII Puerto Rico; Miguel A. Rivera, plant operations mgr.-TII Puerto Rico; Rodrigo Miranda, controller-TII Puerto Rico; Dorothy Roach, secretary-treasurer; Dorothy Conboy, asst. secretary; John W. Wydler, exec. v.p.; Donald M. Worden, v.p.-marketing & sales.

Directors: Alfred J. Roach, chairman; Dorothy Roach, Joseph C. Hogan, C. Bruce Barksdale, Timothy J. Roach, James Grover, Jr., John W. Wydler.

Areas of Work: Produces overvoltage protective devices used on communication and other signal carrying lines servicing telephone equipment and other electronic devices. Also designs and makes systems for purifying water and treating waste water (sewage) under the brand name Sonozone.

Divisions:

Telecommunications Division
100 No. Strong Avenue
Lindenhurst, New York 11757

Ecology Division
100 No. Strong Avenue
Lindenhurst, New York 11757

Subsidiaries:

TII Export
Sonozone International
TII Engineering Ltd.
Telecommunications Industries, Inc.
Technology Transfer Ltd.
Trans Tech International Ltd.

all at:

100 No. Strong Avenue
Lindenhurst, New York 11757

Ecological Industries
Environmental Development Corp.

all at:

Road 165, Kilometer 1.6
Toa Alta, Puerto Rico 00758

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): American

Ticker Symbol: TI

Number of Employees:

1980 522

Plant Footage:

1981	68,628 sq. ft.	1980	68,628

Sales and Earnings

	Net Sales	Net Income †
1981	$ 21,580,000	$ 2,455,000
1980	15,194,000	953,000
1979	14,105,000	778,000
1978	12,147,000	818,000
1977	8,844,000	895,000

	No. of Com. Shares #	Earn. per Share # †
1981	2,185,000	$ 1.12
1980	1,965,000	0.46
1979	1,935,940	0.40
1978	1,965,000	0.42
1977	2,005,000	0.44

† Including extraordinary gains of $137,000 ($0.06 per share) in 1981 and $162,000 ($0.16 per share) in 1980.
# Based on weighted average number of shares outstanding adjusted to reflict stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 9,049,000	$ 4.14
1980	6,360,000	3.24
1979	5,453,628	2.82
1978	4,675,425	2.38
1977	4,061,572	2.03

† Based on weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 21,580,000	$ 15,194,000
Cost of sales	12,324,000	9,036,000
Expenses	5,504,000	4,212,000
Research & devel.	1,052,000	870,000
Other Expenses (income)	233,000	(63,000)
Interest expense	117,000	345,000
Royalty income	105,000	(48,000)
Income before taxes	$ 2,445,000	$ 842,000
Income taxes	137,000	51,000
Net Income	$ 2,318,000	$ 791,000
Extraord. gain	137,000	162,000
Net Income & Extraord. gain	$ 2,455,000	$ 953,000

* Included in Costs and Expenses, Depreciation and Amortization: $714,000 in 1981 and $610,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 4,043,000	$ 674,000
Accts. receiv., net	3,487,000	2,395,000
Other receivables	329,000	570,000
*Inventories	5,110,000	4,344,000
Prepaid expenses	156,000	204,000
Current Assets	$ 13,125,000	$ 8,187,000
#Fixed assets	4,040,000	3,718,000
Other assets	1,506,000	822,000
Total Assets	$ 18,671,000	$ 12,727,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 129,000	$ 159,000
Accts. payable	1,185,000	1,874,000
Accruals & taxes	924,000	679,000
Curr. Liabilities	$ 2,238,000	$ 2,712,000
Long-term debt	384,000	3,655,000
Deferred credit	7,000	—
+Common stock	10,000	10,000
Add. paid-in capital	748,000	499,000
Retained earnings	8,291,000	5,851,000
Total Liabilities	$ 18,671,000	$ 12,727,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.33	5.54
%Net Income to Sales	10.74	5.21
%Net Income to Equity	25.62	12.44
Sales to Inventories	2.76	3.50
Working Capital	$10,887,000	$5,475,000
Current Ratio	5.86	3.02
Shareholders' Equity	$ 9,049,000	$6,360,000

Timeplex, Inc.

One Communications Plaza
Rochelle Park, New Jersey 07662
(201) 368-1113

Officers: Edward Botwinick, chairman of the board, president & chief executive officer; Robert B. Wright, sr. v.p.; John Elich, v.p./technical dir.; David P. Barnhill, v.p.-finance & administration; Victoria A. Brown, v.p.-sales; Erwin H. Sloan, v.p.-systems & govt. sales; Joseph Wachter, v.p.-operations; John J. Collins, asst. v.p.-director of engineering; William J. Smith, asst. v.p.-director of commercial sales; Bernard Furman, secretary & general counsel.

Directors: John Elich, Bernard Furman, Edward Botwinick, William E. Taylor, A. Leon Ferguson, L. Hogan.

Areas of Work: Designs, manufactures, installs and services equipment and systems which reduce the cost of communications between computers and remote terminals linked by domestic, foreign and international telephone systems; principal products are multiplexers, modems, automatic dialers, test sets and concentrators.

Subsidiaries:

Timeplex International Inc. (DISC)
Timeplex International Communications Inc.

both at:
One Communications Plaza
Rochelle Park, New Jersey 07662

Transmission Products Division
Largo, Florida

Timeplex Limited
Brentford & Leeds, England

Timeplex Communications B.V.
Dublin, Ireland

Cermetek, Inc.
Sunnyvale, California
Producer of thick-film hybrid integrated circuits.

Transfer Agent(s):

Chemical Bank
Corporate Trust Department
55 Water Street
New York, New York 10041

Stock Exchange(s): American

Number of Employees:

1981	539	1978	290
1980	440	1977	318
1979	334		

Plant Footage:

1981	107,000 sq. ft.	1978	40,000
1980	65,000	1977	40,000
1979	65,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 30,439,000	$ 1,736,000
1980	17,927,634	1,407,868
1979	12,743,832	1,007,224
1978	11,517,294	545,247
1977	8,019,802	308,635

	No. of Com. Shares ‡	Earn. Per. Share ‡
1981	3,882,665	$ 0.45
1980	3,064,521	0.46
1979	3,009,090	0.33
1978	3,114,348	0.17
1977	2,943,289	0.10

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2
1980	—	5%	6-for-5 ‡

‡ Distributed Sept., 1980

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 21,330,000	$ 5.49
1980	5,905,540	1.93
1979	4,393,552	1.46
1978	3,259,971	1.05
1977	2,939,714	1.00

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 28,259,000	$ 16,164,180
Other revenues	2,180,000	1,763,454
Total revenues	$ 30,439,000	$ 17,927,634
Cost of sales	14,278,000	8,327,457
Expenses	13,275,000	6,980,407
Interest expense (income)	(823,000)	54,902
Income before taxes	$ 3,709,000	$ 2,564,868
Income taxes	1,973,000	1,157,000
Net Income	$ 1,736,000	$ 1,407,868

* Included in Costs and Expenses, Depreciation and Amortization: $978,000 in 1981 and $477,933 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 427,000	$ 309,928
Market securities	12,719,000	—
Accts. receiv., net	5,236,000	3,618,805
*Inventories	6,764,000	5,536,338
Prepaid expenses	359,000	149,564
Current Assets	$ 25,505,000	$ 9,614,635
#Fixed assets	6,687,000	4,121,719
Other assets	465,000	257,628
Total Assets	$ 32,657,000	$ 13,993,982

Liabilities

	1981	1980
Long-term debt, curr.	$ 532,000	$ 367,877
Accts. payable	2,096,000	2,301,670
Accruals	1,747,000	988,512
Income taxes	875,000	883,811
Curr. Liabilities	$ 5,250,000	$ 4,541,870
Installment notes payable	4,996,000	2,572,572
Deferred inc. taxes	1,081,000	974,000
+Common stock	40,000	17,750
Add. paid-in capital	17,541,000	3,454,860
Retained earnings	4,648,000	2,912,480
Treasury stock	—	(270,000)
Notes from officers & Deferred comp.	(695,000)	(209,550)
Total Liabilities & Shareholders' Equity	$ 32,657,000	$ 13,993,982

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.13	14.31
%Net Income to Revenues	6.14	7.85
%Net Income to Equity	8.14	23.84
Working Capital	$20,255,000	$5,072,765
Current Ratio	4.86	2.12
Shareholders' Equity	$21,330,000	$5,905,540

Tinsley Laboratories, Inc.

2448 Sixth Street
Berkeley, California 94710
(415) 843-6836

Officers: Harvey L. Morton, chairman of the board, president & chief executive officer; Robert J. Aronno, exec. v.p. chief operating officer & treasurer; Robert J. Johnson, v.p.-marketing & secretary; David L. Feathers, asst. treasurer.

Directors: Harvey L. Morton, chairman; Robert J. Aronno, Daniel J. Duckhorn, David L. Feathers.

Areas of Work: Designs and manufactures precision optical components and systems; including aspheric lenses, metal mirrors, massive optical components, color television tooling products, and optical instruments.

Tinsley Laboratories, Inc.

Subsidiaries:

Tinsley International

Transfer Agent(s):

Wells Fargo Bank
San Francisco, California

Stock Exchange(s): Over-the-Counte:

Ticker Symbol: TNSL (NASDAQ)

Number of Employees:

1980	70	1977	55
1979	70	1976	55
1978	52		

Plant Footage:

1980	36.000 sq.ft.	1977	36.000
1979	36.000	1975	36.000
1978	36.000		

Sales and Earnings

	Net Sales	Net Income
1980	$ 5.107.825	$ 626.989
1979	2.957.498	383.254
1978	3.171.301	293.325
1977	3.289.174	255.754
1976	3.515.392	306.606

	No.of Com. Shares†	Earn per Share +
1980	556.320	$1.09
1979	537.630	0.68
1978	528.810	0.55
1977	539.520	0.47
1976	563.460	0.54

†Adjusted to reflect stock dividend.
+Based on average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividends +	Stock Dividends	Stock Split
1980	$0.33	5%	—
1979	0.29	—	—
1978	0.24	—	—
1977	0.24	—	—
1976	0.24	—	—

+Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share †
1980	$ 2.463.184	$4.43
1979	1.986.549	3.70
1978	1.745.150	3.30
1977	1.605.976	2.98
1976	1.523.872	2.72

†Adjusted to reflect stock dividend.

Income Account *

Year ended	12/28/80	12/23/79
Net sales	$ 5,107,825	$ 2,957,498
Cost of sales	3,399,127	1,922,188
Expenses	693,475	513,401
Other income	(136,766)	(157,745)
Income before taxes	$ 1,151,989	$ 679,654
Income taxes	525,000	296,400
Net Income	$ 626,989	$ 383,254

*Included in Costs and Expenses, Depreciation and Amortization: $230.229 in 1980 and $186.311 in 1979.

Assets

As of	12/28/80	12/23/79
Cash	$ 150,990	$ 78,341
Cert.of deposit	280,000	650,000
Marketable securities	534,421	749,976
Accts. receiv., net	489,021	424,319
*Inventories	763,692	548,421
Prepaid expenses	63,670	57,783
Other assets	29,429	23,204
Current Assets	$ 2,311,223	$ 2,532,044
#Fixed assets	1,859,283	858,805
Other assets	57,032	49,722
Total Assets	$ 4,227,538	$ 3,440,571

Liabilities

Accts. payable	$ 231,326	$ 253,864
Accruals	307,918	230,815
Income taxes payable	252,162	137,751
Deferred inc.taxes	634,514	638,514
Customer billings	80,678	112,078
Notes payable	20,586	—
Curr. Liabilities	$ 1,527,184	$ 1,373,022
Deferred inc. taxes	77,000	81,000
Notes payable	160,170	—
+Common stock	96,889	89,507
Add paid-in capital	1,410,892	973,978
Retained earnings	976,653	944,314
Notes receiv.	(21,250)	(21,250)
Total Liabilities & Shareholders' Equity	$ 4,227,538	$ 3,440,571

*At lower of cost or market.
#Less accumulated depreciation and amortization.
+$0.16-2/3 stated value.

Statistical Summary

%Income bef. Taxes to Sales	22.55	22.98
%Net Income to Sales	12.28	12.96
%Net Income to Equity	25.45	19.29
Sales to Inventories	6.69	5.39
Working Capital	$ 784,039	$ 1,159,022
Current Ratio	1.51	1.84
Shareholders' Equity	$ 2,463,184	$ 1,986,549

TOCOM, Inc.

3301 Royalty Row
Irving, Texas 75062
(214) 438-7691

Mailing address:
P.O. Box 47066
Dallas, Texas 75247

Officers: John G. Campbell, chairman & chief executive officer; Michael R. Corboy, president & chief operating officer; Fred Burton, Jr., v.p.-operation; Kevin W. McAleer, v.p.-finance & secretary-treasurer; John E. Nolen, III, v.p.-marketing.

Directors: John G. Campbell, chairman; Michael R. Corboy, E.D. Condron, J.S. MacKay, E.E. Fitzgibbons, Fred Burton, Jr.

Areas of Work: Manufactures and markets cable televison and communication equipment, including head-ends, home terminals, converters and amplifiers; designs and installs two-way cable systems; manages two-way systems under contracts with system owners; develops a computer controlled two-way communication system which provides several services in addition to cable television, including fire and burglar alarms, subscriber opinion polls and television rating surveys.

Subsidiary:

TOCOM-MEX, S.A. de C.V.
Matamoros, Tamaulipas, Mexico
Assembles equipment manufactured by the company.

TOCOM Financial, Inc.
Operates cable security systems.

Transfer Agent(s):

Republic Bank of Dallas
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TOCM (NASDAQ)

Number of Employees:

1981	250	1978	180
1980	295	1977	158
1979	210		

Plant Footage:

1981	62,000 sq. ft.	1978	29,000
1980	52,500	1977	29,000
1979	29,000		

Sales and Earnings

	Net Sales ‡	Net Income †
1981	$ 9,438,000	$ (2,838,000)
1980	8,550,933	(996,726)
1979	6,953,945	27,803
1978	4,158,149	87,709
1977	2,732,473	(297,801)

	No. of Com. Shares #	Earn. per Share # †
1981	4,693,387	$ —
1980	3,922,438	—
1979	4,140,645	0.01
1978	3,583,837	0.02
1977	2,369,440	—

(Loss)
‡ Of continuing operations only.
† Including extraordinary gains of $5,217,000 in 1979 and $28,6[illegible] ($0.01 per share) in 1978.
# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	5-for-4
1980	—	—	2-for-1
1979	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 9,513,000	$ 2.03
1980	2,197,239	0.56
1979	2,062,197	0.50
1978	1,980,001	0.55
1977	1,638,664	0.69

# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 9,438,000	$ 8,550,933
Cost of sales	7,287,000	6,302,459
Expenses	5,005,000	2,809,531
Interest income	(600,000)	(18,716)
Other expenses (income)	114,000	(58,499)
Interest expense	470,000	512,884
Net Loss	$ (2,838,000)	$ (996,726)

* Included in Costs and Expenses, Depreciation and Amortization: $335,000 in 1981 and $159,549 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 80,000	$ 150,771
Short term inv.	4,298,000	—
Receiv., net	3,190,000	3,013,839
*Inventories	3,992,000	3,179,023
Prepaid expenses	87,000	80,399
Current Assets	$ 11,647,000	$ 6,424,032
#Fixed assets	3,346,000	1,588,234
Other assets	716,000	675,061
Total Assets	$ 15,709,000	$ 8,687,327

Liabilities

Notes payable	$ —	$ 1,616,737
Long-term debt, curr.	87,000	66,987
Accounts payable	1,584,000	898,739
Accruals	778,000	366,924
Advance payments	83,000	48,396
Curr. Liabilities	$ 2,532,000	$ 2,997,783
Long-term debt	316,000	125,911
Deferred gain on sale & leaseback	84,000	102,405
Payable to affiliate	224,000	223,989
Convert. subord. deben.	3,040,000	3,040,000
+Common stock	498,000	330,737
Add. paid-in capital	14,790,000	4,842,426
Deficit	(5,775,000)	(2,937,403)
Treasury stock	—	(38,521)
Total Liabilities & Shareholders' Equity	$ 15,709,000	$ 8,687,327

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	2.36	2.69
Working Capital	$ 9,115,000	$3,426,249
Current Ratio	4.60	2.14
Shareholders' Equity	$15,709,000	$2,197,239

Torotel, Inc.

P.O. Box 608
Raymore, Missouri 64083
(816) 331-8400

Officers: Dale H. Sizemore, chairman of theboard; Larry R. Whitaker, president; Pauline R.Sizemore, vice president; Harry A. Morris, secretary; Donald H. Loudon, asst. secretary; Larry W. Sayre, treasurer.

Directors: Dale H. Sizemore, Pauline Sizemore, Harry A. Morris, Larry R. Whitaker, Alan J. Brown, Donn L. Williams, Morton D. Margolis.

Areas of Work: Engaged in the engineering, testing and manufacturing of transformers, inductors, toroidal coils, statistical multiplexers, laminated chokes, molded RF chokes, capacitors, molded epoxy products, oscillators, LC filters, and discrete component modules. Also develops and manufactures environmental telecommunications and electrical test equipment.

Subsidiaries:

Halcyon Communications, Inc.
San Jose, California
Engineers, manufactures and markets instruments for the telephone and communication industry, including data-line transmission test equipment and conditioning sets.

Totel Products, Inc.
Grandview, Missouri
Designs and manufactures magnetic components such as transformers, inductors, and other iron-core components.

Halcyon International, Inc.
San Jose, California

Halcyon W.H.C., Inc.
San Jose, California

Transfer Agent(s):

First National Bank of Kansas City
Kansas City, Missouri

Wells Fargo Bank, N.A.
San Francisco, California

Stock Exchange(s): American

Ticker Symbol: TTL

Sales and Earnings

	Net Sales	Net Income
1982	$ 22,406,000	$ 212,000
1981	19,737,000	732,000
1980	16,402,177	460,221
1979	12,475,262	193,020
1978	10,325,755	736,665

	No. of Com. Shares ‡	Earn. per Share ‡
1982	2,338,103	$ 0.09
1981	1,786,168	0.41
1980	1,764,121	0.26
1979	1,768,796	0.11
1978	1,740,455	0.42

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	—	—	—
1981	—	6%	—
1980	—	6%	—
1979	—	6%	—
1978	—	5¼%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 8,977,000	$ 3.84
1981	8,616,000	4.82
1980	3,797,066	2.15
1979	3,308,765	1.87
1978	3,015,846	1.73

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended March 31	1981	1980
Net sales	$ 19,737,000	$ 16,402,177
Cost of sales	9,569,000	8,216,394
Expenses	8,213,000	6,780,816
Interest expense	850,000	681,397
Other income	(24,000)	(13,651)
Income before taxes	$ 1,129,000	$ 737,221
Income taxes	397,000	277,000
Net Income	$ 732,000	$ 460,221

* Included in Costs and Expenses, Depreciation and Amortization: $402,000 in 1981 and $310,000 in 1980.

Assets

As of March 31	1981	1980
Cash & cert. of deposit	$ 486,000	$ 486,498
Accts. receiv., net	4,972,000	4,395,808
*Inventories	4,992,000	3,597,702
Refundable income taxes	636,000	—
Other assets	62,000	81,580
Current Assets	$ 11,148,000	$ 8,561,588
#Fixed assets	4,914,000	1,900,509
Other assets	198,000	165,285
Intangibles	369,000	400,278
Total Assets	$ 16,629,000	$ 11,027,660

Liabilities

Notes payable	$ 2,043,000	$ 1,892,448
Long-term debt, curr.	433,000	588,125
Accts. payable	2,059,000	1,469,726
Accruals	791,000	548,247
Income taxes	906,000	224,854
Curr. Liabilities	$ 6,232,000	$ 4,723,400
Long-term debt.	1,382,000	2,438,196
Def. inc. taxes	91,000	69,000
+Common stock	1,158,000	816,224
Add. paid-in capital	7,018,000	2,475,595
Retained earnings	590,000	518,829
Treasury stock	(42,000)	(13,582)
Total Liabilities & Shareholders' Equity	$ 16,629,000	$ 11,027,660

* At lower of cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.72	4.49
%Net Income to Sales	3.71	2.81
%Net Income to Equity	8.39	12.12
Sales to Inventories	3.95	4.56
Working Capital	$4,916,000	$3,838,188
Current Ratio	1.79	1.81
Shareholders' Equity	$8,724,000	$3,797,066

Tracor, Inc.

6500 Tracor Lane
Austin, Texas 78721
(512) 926-2800

Officers: Frank W. McBee, Jr., president and chief executive officer; group vice presidents: Walter A. Clements-components, William J. Buffo-instruments, William C. Moyer-applied sciences, Hardy M. Caton-aerospace; Jim A. Smith, vice president, treasurer & chief financial officer; Audrey T. Dearing, corp. secretary; Russell E. Painton, corporate counsel; Judith A. Newby, dir. of public relations; Fred S. Schulte, corporate controller; George H. Coble, auditor; M. Shaw, industrial relations director; S.J. Nagy, publication manager; J.D. Baird, financial services mgr.; J.O. Colley, tax mgr.; S. Contreras, facility maintenance mgr.

Directors: Frank W. McBee, Jr.*, chairman; Marcel E. Gres, Edward Randall III, J.T. Trotter*, Donald L. Lucas, W.J. Buffo, Kenneth L. Block, Dewuse Guyton, Jr.*, John H. Duncan*, Jim A. Smith, Charles E. Walker.

*Member of the Executive Committee.

Divisions and Subsidiaries:

Components Group
800 East Northwest Highway
Des Plaines, Illinois 60016
(312) 824-1188
Production of fuses, fuseholders, circuit breakers, switches, relays, automobile buzzers and flashers, coils, capacitors, controls, anti-skid sensors, color convergence assemblies, indicating lights, potentiometers, blue lateral and purity devices and other electronic and electromechanical components.

Littlefuse, Inc.
Des Planes, Illinois

Tractor Littlefuse, G.B., Ltd.
Durham, England

Olvis, B.V.onics
Utrecht, The Netherlands

Tracor Littlefuse, S.A. de C.V.
Piedras Negras, Mexico

Instruments Group
2551 West Beltline Highway
Middleton, Wisconsin 53562
(608) 831-6511
Product lines include instrumentation classified generally as nuclear, data acquisition, analytical, time and frequency and navigation, and medical.

Austin Instruments Division
Austin, Texas

Tracor Europa, B.V.
Amsterdam, The Netherlands

Tracor Europa, B.V.
Paris, France

Tracor Northern
Middleton, Wisconsin

Tracor, Inc.

Tracor Westronics
Fort Worth, Texas

Tracor Analytic
Elk Grove Village, Illinois

Tracor Xray
Mountain View, California

Applied Sciences Group
6500 Tracor Lane
Austin, Texas 78721
(512) 926-2800

Involved in scientific research and development under sponsorship of government agencies and private clients. Its major fields of activity include submarine and surface ship sonar; underwater acoustical surveillance; ocean engineering research and ship support; collection and analysis of medical information related to cancer and occupational safety and health; communications; environmental, social, physical sciences; and safety.

Tracor Marine
Port Everglades, Florida

Analysis & Applied Research Division
Austin, Texas

Electronics Systems Division
Arlington, Virginia

Systems Technology Division
Rockville, Maryland

Tracor Jitco
Rockville, Maryland

Aerospace Group
6500 Tracor Lane
Austin TX 78721
(512) 926-2800

Manufactures specialized electronic and electromechanical systems including passive electronic countermeasure systems, advanced telecommunications terminals and specialized microprocessors. Also manufactures airborne navigation systems for use in commercial and private aircraft.

Aerospace-Austin
Austin, Texas

Tracor Radcon, Inc.
Laredo and Austin, Texas

MB Associates
San Ramon, California

Flight Systems, Inc.
Newport Beach, California

Tracor Aviation
Goleta, California

Custom Products Company
Sun Valley, California

Transfer Agent(s):

Mercantile National Bank of Dallas
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: TRR

Number of Employees:

1981	7,500	1978	6,800
1980	7,500	1977	5,700
1979	7,000		

Sales and Earnings †

	Net Sales	Net Income
1981	$ 371,096,000	$ 18,981,000
1980	313,748,000	14,114,000
1979	260,272,000	10,758,000
1978	203,203,000	8,661,000
1977	164,647,000	6,570,000

	No. of Com. Shares ×	Earn. per Share ×
1981	9,437,000	$ 2.02
1980	8,074,000	1.76
1979	6,909,000	1.56
1978	6,800,000	1.27
1977	6,678,000	0.98

† Restated to include operations of companies acquired on a pooling of interests basis.

× Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1981	1980
Applied Sciences	$ 127,089	$ 98,483
Aerospace	105,049	80,941
Instruments	65,744	65,032
Components	73,214	69,292
Total	$ 371,096	$ 313,748

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	5-for-4
1979	—	—	
1978	—	—	5-for-4

Common Stock Equity +

	Total Equity ‡	Equity Per Share †
1981	$ 113,649,000	$ 12.04
1980	94,740,000	11.73
1979	47,669,000	6.90
1978	37,063,000	5.45
1977	28,215,000	4.23

+ Restated.

‡ After allowing for preferred stock at involuntary liquidation value.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980 ‡
Net sales	$ 371,096,000	$ 313,748,000
Cost of sales	273,416,000	228,226,000
Expenses	57,028,000	54,526,000
Interest expense	5,824,000	5,748,000
Income before taxes	$ 34,828,000	$ 25,248,000
Income taxes	15,847,000	11,134,000
Net Income	$ 18,981,000	$ 14,114,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,583,000 in 1981 and $7,234,000 in 1980.

‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 4,544,000	$ 2,487,000
Accts. receiv., net	75,472,000	66,266,000
*Inventories	50,660,000	46,395,000
Prepaid expenses	2,323,000	1,408,000
Current Assets	$ 132,999,000	$ 116,556,000
Investments & other assets	2,632,000	828,000
#Fixed assets	84,426,000	64,677,000
Defer. charges & intangibles	3,403,000	2,968,000
Total Assets	$ 223,460,000	$ 185,029,000

Liabilities

Long-term debt, curr.	$ 4,380,000	$ 3,361,000
Accts payable	14,173,000	16,276,000
Accruals	23,614,000	17,425,000
Income taxes	6,231,000	2,088,000
Curr. Liablities	$ 48,398,000	$ 39,150,000
Long-term debt	54,715,000	45,522,000
Deferred inc. taxes	4,484,000	2,961,000
+Preferred stock	92,000	111,000
+ +Common stock	3,007,000	1,994,000
Add. paid-in capital	56,732,000	53,742,000
Retained earnings	56,840,000	41,584,000
Treasury stock	(808,000)	(35,000)
Total Liabilities & Shareholders' Equity	$ 223,460,000	$ 185,029,000

‡ Restated.

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value.

+ + $.33⅓ par value.

Statistical Summary

%Income bef. Taxes to Sales	9.39	8.05
%Net Income to Sales	5.11	4.50
%Net Income to Equity	16.38	14.49
Sales to Inventories	7.33	6.76
Working Capital	$ 84,601,000	$77,406,000
Current Ratio	2.75	2.98
Shareholders' Equity	$115,863,000	$97,396,000

Transducer Systems, Inc.

710 Davisville Road
Willow Grove, Pennsylvania 19090
(215) 567-0800

Officers: Michael Nakonechny, chairman of the board, president & secretary; Thomas J. Carduff, exec. v.p. asst. treasurer & asst. secretary; John F. Maher, v.p.-finance & treasurer.

Directors: Michael Nakonechny, John F. Maher, Louis Nagy, Thomas Carduff, Harvey Mahlig, Alfred A. Lollo.

Areas of Work: Designs, manufactures and markets a variety of transducers, which are electronically and electromechanically controlled. Also designs and manufactures complete systems and sub-systems comprised of transducers associated with signal conditioning data.

Transfer Agent(s):

Provident National Bank
Broad & Chestnut Street
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	152	1977	63
1979	72	1976	54
1978	57		

Plant Footage:

1981	32,000 sq. ft.	1978	22,000
1980	32,000	1977	11,000
1979	22,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 4,560,000	$ 389,000
1980	4,818,825	441,908
1979	3,845,721	323,978
1978	2,630,718	239,686
1977	1,780,272	194,840

	No.of Com. Shares †	Earn per Share ‡ #
1981	882,898	$ 0.42
1980	827,106	0.47
1979	700,878	0.36
1978	673,378	0.26
1977	630,878	0.21

‡ Including extraordinary gains of $67,750 ($0.08 per share) in 1977.
† Adjusted to reflect stock split.
# Based on average number of shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 1,851,000	$ 2.10
1980	1,470,907	1.78
1979	907,157	1.29
1978	624,658	0.93
1977	378,180	0.60

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 4,560,000	$ 4,818,825
Other income	92,000	15,348
Total Income	$ 4,652,000	$ 4,834,173
Cost of sales	2,191,000	2,726,246
Expenses	1,525,000	1,157,648
Income before taxes	$ 752,000	$ 905,545
Income taxes	363,000	463,637
Net Income	$ 389,000	$ 441,908

* Included in Costs and Expenses, Depreciation and Amortization: $95,000 in 1981 and $62,549 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 41,000	$ 22,157
Accts. receiv., net	801,000	918,260
*Inventories	1,216,000	837,934
Prepaid expenses	27,000	18,568
Current Assets	$ 2,085,000	$ 1,796,919
#Fixed assets	550,000	527,700
Other assets	11,000	9,122
Total Assets	$ 2,646,000	$ 2,333,741

Liabilities

Notes payable	$ 325,000	$ 120,000
Long-term debt. curr.	33,000	25,280
Accts. payable	224,000	188,173
Accruals	116,000	253,445
Income taxes	20,000	180,710
Curr. Liabilities	$ 718,000	$ 767,608
Long-term debt	77,000	95,226
+Common stock	88,000	82,711
Add. paid-in capital	1,077,000	1,039,887
Retained earnings	686,000	348,309
Total Liabilities & Shareholders' Equity	$ 2,646,000	$ 2,333,741

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.49	18.79
%Net Income to Sales	8.53	9.17
%Net Income to Equity	21.02	30.04
Sales to Inventories	3.75	5.75
Working Capital	$1,367,000	$1,029,311
Current Ratio	2.90	2.34
Shareholders' Equity	$1,851,000	$1,470,907

Transidyne General Corporation

3850 Research Park Drive
Ann Arbor, Michigan 48104
(313) 769-1900

Officers: John N. Ackley, president & treasurer; Margaret K. Beaudet, asst. treasurer, secretary & controller; Linda K. Jackson, asst. secretary.

Directors: Howard Diamond, John N. Ackley, Scott Neely, Henry J. Gomberg, Bruce A. Work, Jr., Linda K. Johnson.

Areas of Work: Manufactures and markets a line of clinical and electrophysiological products, including scanning densitometers, computing integrators, and RID calibrating viewers; microelectrodes, amplifiers and other signal conditioning electronic instrumentation, as well as display equipment for investigating physiological processes. Also engaged in the production of clinical and electrophysiological items for the O.E.M. business and the production of electronic sub-assemblies.

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 2,754,475	$ (674,387)
1980	2,683,894	(893,381)
1979	1,498,897	(245,524)
1978	1,478,279	(180,330)
1977	1,850,543	22,710

	No. of Com. Shares +	Earn. per Share ‡ +
1981	1,654,732	$ —
1980	1,386,806	—
1979	1,053,680	—
1978	1,038,470	—
1977	1,041,800	0.03

‡ Including extraordinary credit of $7,000 ($0.01 per share) in 1977.
+ Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 268,432	$ 0.16
1980	(40,067)	—
1979	(21,160)	—
1978	200,864	0.19
1977	379,815	C.36

(Deficiency)
‡ Based on weighted average number of shares outstanding.

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 2,754,475	$ 2,683,894
Cost of sales	2,233,011	2,298,843
Product develop. cost	237,977	578,280
Expenses	824,121	635,375
Interest expense	82,328	64,777
Loss on abandonment	51,425	—
Net Loss	(674,387)	(893,381)

* Included in Costs and Expenses, Depreciation and Amortization: $55,528 in 1981 and $41,700 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 258,320	$ 113,638
Accts. receiv., net	234,184	450,202
*Inventories	550,494	677,247
Prepaid expenses	49,490	43,193
Current Assets	$ 1,092,488	$ 1,284,280
#Fixed assets	133,513	193,820
Patents pending	39,406	36,757
Total Assets	$ 1,265,407	$ 1,514,857

Liabilities

Long-term debt, curr.	$ 176,050	$ 51,825
Accts. payable	309,282	813,042
Payroll taxes payable	9,443	46,701
Accruals	44,075	54,446
Misc. taxes	90,125	51,440
Cust. advances	—	20,770
Curr. Liabilities	$ 628,975	$ 1,038,224
Long-term debt	368,000	516,700
+Common stock	164,673	138,681
Add. paid-in capital	2,653,624	1,696,630
Deficit	(2,549,765)	(1,875,378)
Total Liabilities & Shareholders' Equity	$ 1,265,407	$ 1,514,857

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.00	3.96
Working Capital	$463,513	$246,056
Current Ratio	1.74	1.24
Shareholders' Equity (Deficiency)	$268,432	$(40,067)

Transmation, Inc.

977 Mt. Read Boulevard
Rochester, New York 14606
(716) 254-9000

Officers: William J. Berk, president; Arnold W. Wehrle, Philip P. Schulp, Anthony S. Graff, James H. Yates, Robert S. Peterson, vice presidents; John A. Misiazek, secretary-treasurer; Lucille M. Milne, asst. secretary.

Directors: William J. Berk, Angelo J. Chiarella, Philip P. Schulp, Gerald R. Katz, Max Eisner, Roy Smart, T. Richard Olney, Robert S. Peterson.

Areas of Work: Engaged in the development and manufacture of electronic interface instruments and digital systems; produces products such as thermocouple dial alarms for monitoring plant warning temperatures, electronics integrator for accurate counting of proportional analog signals, shock proof field milliam-meters, integrated circuit transmitters, field signal indicators, calibration equipment.

Divisions:

Transcat
Rochester, New York

Divisions and Subsidiaries:

Transmation (Canada) Inc.
Toronto, Ontario, Canada

Transcat
Rochester, New York

Transfer Agent(s):

The National City Bank of Cleveland
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 185

Plant Footage:

1981 ...... 40,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 7,276,992	$ (44,637)
1980	6,182,261	245,765
1979	4,904,784	252,269
1978	4,332,027	266,417
1977	3,664,065	304,074

Transmation, Inc.

	No. of Com. Shares	Earn. per Share # ‡
1981	528,410	$ —
1980	520,910	0.46
1979	505,310	0.48
1978	505,010	0.51
1977	491,510	0.59

(Loss)

# Based on average number of common shares and common share equivalents outstanding.

‡ Including extraordinary credit of $93,000 ($0.18 per share) in 1977.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,949,551	$ 3.69
1980	1,975,355	3.79
1979	1,714,785	3.39
1978	1,462,336	2.90
1977	1,178,048	2.40

Income Account *

Year ended March 31	1981	1980
Net sales	$ 7,276,992	$ 6,182,261
Cost of sales	3,301,146	2,671,956
Expenses	3,061,155	2,236,830
Research & devel.	738,415	707,746
Other income	(1,815)	(3,901)
Interest expense	213,403	76,815
Income (loss) before taxes	$ (35,312)	$ 492,815
Income taxes	9,325	247,050
Net Income (Loss)	$ (44,637)	$ 245,765

* Included in Costs and Expenses, Depreciation: $116,587 in 1981 and $74,442 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 83,571	$ 50,482
Accts. receiv. net	1,677,536	1,347,448
*Inventories	2,480,787	1,821,614
Prepaid expenses	96,267	91,486
Current Assets	$ 4,338,161	$ 3,311,030
#Fixed assets	640,639	645,690
Prepaid taxes	5,100	—
Total Assets	$ 4,983,900	$ 3,956,720

Liabilities

	1981	1980
Notes payable	$ 796,319	$ —
Accts. payable	482,430	503,541
Accruals	726,977	543,461
Income taxes curr.	11,230	160,911
Cust. advances	213,767	—
Curr. Liabilities	$ 2,230,723	$ 1,207,913
Long-term debt	750,000	746,319
Deferred income taxes	—	850
Deferred compensation	53,626	26,283
+Common stock	528,410	260,455
Add. paid-in capital	1,038,821	1,287,943
Retained earnings	382,320	426,957
Total Liabilities & Shareholders' Equity	$ 4,983,900	$ 3,956,720

* At lower of standard cost (FIFO) or market.

Less accumulated depreciation.

+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.97
%Net Income to Sales	—	3.98
%Net Income to Equity	—	12.44
Sales to Inventories	2.93	3.39
Working Capital	$2,107,438	$2,103,117
Current Ratio	1.94	2.74
Shareholders' Equity	$1,949,551	$1,975,355

Triad Systems Corporation

1252 Orleans Drive
P.O. Box 61779
Sunnyvale, California 94088
(408) 734-9720

Officers: William W. Stevens, chairman of the board & president; Stuart W. Clinton, v.p. & gen. mgr. - Hardgoods Division; Shane E. Gorman, v.p. & gen. mgr. - Automotive Division; Stephen J. LaCommare, v.p.; Robert L. West, v.p. & treasurer; Lawrence M. Dorety, gen. mgr. - Tire Division; Richard L. Fischer, corp. controller; Stanley F. Marquis, diretor of leasing; Thomas J. O'Malley, Jr., director of administration; David M. Stout, gen. mgr. - Warehouse Systems Division; Frederick C. Walter, director of corporate development.

Directors: William W. Stevens, chairman; Henry M.Gay, Burton J. McMurtry, Edwin E. Van Bronkhorst.

Areas of Work: The corporation designs, manufactures markets and services small business computer systems. These systems are fully-packaged industry-specific for use by employees of small business with little or no previous computer experience. The systems are primarily marketed to automotive parts wholesalers, automotive warehouse distributors, retail hardware dealers and independent tire dealers.

Subsidiaries:

TRIDEX Systems, Ltd.
Ealing, London
England

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRSC (NASDAQ)

Number of Employees:

1981 . . . . . . 1,092 1980 814

Plant Footage:

1981 . . . . . . 150,000 sq. ft.

Sales and Earnings

	Net Sales & Serv. Rev.	Net Income
1981	$ 78,391,000	$ 8,683,000
1980	56,513,000	5,031,000
1979	30,805,000	3,297,000
1978	14,757,000	1,640,000
1977	7,269,000	781,000

	No. of Com. Shares #	Earn. per Share #
1981	6,413,000	$ 1.35
1980	6,242,000	0.81
1979	5,896,000	0.56
1978	5,543,000	0.30
1977	5,393,000	0.14

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	7-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 28,141,730	$ 4.39
1980	17,839,759	2.86
1979	6,563,969	1.11
1978	3,080,036	0.56

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales & serv. rev.	$ 78,390,829	$ 56,513,328
Cost of sales	32,746,947	24,039,134
Expenses		
Marketing	25,104,790	19,397,821
Prod. develop.	5,329,067	3,757,329
Gen. & adm.	2,777,514	1,721,732
Interest income	(1,193,607)	(310,295)
Income from nonconsol. subsid.	(2,752,934)	(1,443,385)
Income before taxes	$ 16,379,052	$ 9,350,992
Income taxes	7,696,000	4,320,000
Net Income	$ 8,683,052	$ 5,030,992

* Included in Costs and Expenses, Depreciation and Amortization: $2,082,834 in 1981 and $845,055 in 1980.

Assets

As of Sept. 30	1981	1980
Cash & cash equiv.	$ 10,384,724	$ 4,589,349
Accts. receiv., net	14,925,368	10,164,518
Refundable taxes	—	2,547,937
*Inventories	17,435,317	10,895,722
Deferred inc. taxes	3,840,000	2,034,894
Prepaid expenses	2,215,162	953,859
Current Assets	$ 48,800,571	$ 31,186,279
#Fixed assets	10,071,838	4,538,693
Invests & adv. to subsid.	5,747,772	2,994,838
Funds for plant expansion	—	2,000,000
Other assets	252,397	121,314
Total Assets	$ 64,872,578	$ 40,841,124

Liabilities

	1981	1980
Accts. payable	$ 6,564,391	$ 4,712,654
Accrued emp. comp.	3,251,146	2,300,870
Accrued profit sharing	1,200,000	750,000
Def. serv. contr. rev.	945,597	576,819
Prod. warr. costs	3,414,130	2,397,556
Other curr. liab.	1,210,584	972,053
Curr. Liabilities	$ 16,585,848	$ 11,709,952
Deferred inc. taxes	20,145,000	11,291,413
+Common stock	8,470,092	6,856,005
Note receiv. for common stock	(114,936)	(119,768)
Retained earnings	19,786,574	11,103,522
Total Liabilities & Shareholders' Equity	$ 64,372,578	$ 40,841,124

* At lower of Cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	20.89	16.55
%Net Income to Sales	11.08	8.90
%Net Income to Equity	30.87	28.20
Sales to Inventories	4.50	5.19
Working Capital	$32,214,723	$19,476,327
Current Ratio	2.94	2.66
Shareholders' Equity	$28,141,730	$17,839,759

Trion, Inc.

P.O. Box 760
McNeill Road
Sanford, North Carolina 27330
(919) 775-2201

Officers: Hugh E. Carr, president & chief executive officer; William P. Glaser, Daniel H. Kassick, vice presidents; J.M. Grant, managing director - Trion, Ltd.; John M. King, general sales manager - Consumer Products; Don F. Schreiner, manager-Contract Fabrication; Roy R. Stephens, plant manager; Tony G. Williams, director of engineering.

Directors: Norbert F. Eichelsbacher, Hugh E. Carr, Thomas P. Johnson, Seddon Goode, Jr., Grant R. Meyers, Robert K. Wagner, James E. Heins.

Areas of Work: Engaged in the design, manufacture, and distribution of electrostatic precipitating equipment, primarily used in conjunction with central ventilating systems or as self-contained units to remove particulate matter from circulating air.

Transfer Agent(s):
First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRON (NASDAQ)

Plant Footage:

1981	111,000 sq. ft.	1978	95,000
1980	100,000	1977	91,000
1979	95,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 13,536,495	$ 1,319,829
1980	9,214,535	817,584
1979	8,732,238	829,826
1978	7,550,660	669,576
1977	5,878,215	545,284

	No. of Com. Shares	Earn. per Share #
1981	1,064,768	$ 1.24
1980	527,226	0.78
1979	519,969	0.80
1978	513,394	0.65
1977	405,872	0.53

# Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1981	$0.15	—	2-for-1
1980	0.12	—	—
1979	0.11	—	—
1978	0.09	—	5-for-4
1977	0.072	—	5-for-4

# Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 5,892,547	$ 5.46
1980	4,616,851	4.38
1979	3,900,176	3.75
1978	3,167,425	3.08
1977	2,557,550	2.52

‡ After allowing for preferred stock at a redemption value of $7 per share.
† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 13,381,074	$ 9,029,457
Other income	155,421	185,078
Total income	$ 13,536,495	$ 9,214,535
Cost of sales	7,764,919	5,077,140
Expenses	3,310,747	2,613,811
Income before taxes	$ 2,460,829	$ 1,523,584
Income taxes	1,141,000	706,000
Net Income	$ 1,319,829	$ 817,584

* Included in Costs and Expenses, Depreciation and Amortization: $155,444 in 1981 and $121,341 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 93,746	$ 132,620
Investments	690,000	600,000
Accts. receiv., net	2,700,349	2,481,569
*Inventories	3,318,928	2,215,733
Prepaid expenses	42,579	68,594
Deferred inc. taxes	21,900	—
Current Assets	$ 6,867,502	$ 5,498,516
#Fixed assets	1,876,206	1,440,010
Total Assets	$ 8,743,708	$ 6,938,526

Liabilities

	1981	1980
Notes payable	$ 87,440	$ 144,457
Long-term debt, curr.	55,000	55,000
Accts. payable & accruals	1,538,814	804,785
Dividends payable	44,070	33,319
Income taxes	290,337	353,598
Deferred income taxes	—	1,800
Curr. Liabilities	$ 2,015,661	$ 1,392,959
Long-term debt	575,000	630,000
Deferred inc. taxes	260,500	204,300
+Preferred stock	59,165	67,440
+ +Common stock	532,384	263,613
Add. paid-in capital	541,315	511,688
Retained earnings	4,759,683	3,868,526
Total Liabilities & Shareholders' Equity	$ 8,743,708	$ 6,938,526

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value; 5% cumulative.
+ + $0.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	18.39	16.87
%Net Income to Sales	9.86	9.05
%Net Income to Equity	22.40	17.35
Sales to Inventories	4.03	4.08
Working Capital	$4,851,841	$4,105,557
Current Ratio	3.41	3.95
Shareholders' Equity	$5,892,547	$4,711,267

TRW Inc.

23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-2121

Officers: Ruben F. Mettler, chairman of the board & chief exec. officer; Stanly C. Pace, president & chief operating officer; J. Sidney Webb, vice chaiman of the board; Charles R. Allen, exec. v.p. & chief financial officer; Andrew J. Kelley, v.p. & asst. chief financial officer; Edward M. Foley, v.p. - planning & development; Frank H. Kettle, v.p. & controller; Robert B. Perkovic, v.p. & treasurer; Edward N. Button, v.p. - investments; Martin A. Coyle, v.p., general counsel & secretary; Crawford T. Harvie, Kenneth G. Preston, James E. Terrell, v.p.'s & asst. general counsels; Thomas J. Fay, v.p.-communications; Robert D. Lundy, v.p.-public relations & advertising; Michael Monroney, v.p.-government relations; Chris G. Petrow, v.p. & director-TRW Europe Inc.; John S. Foster, v.p.-science & technology; Arden L. Bement, Jr., v.p.-technical resources; Henry P. Conn, v.p.-productivity; John M. Groocock, v.p.-quality; George A. Harris, v.p.-material; Gustave E. Schrader, v.p.-manufacturing; Jack B. Gearhart, v.p.-new headquarters project; Lloyd N. Hand, sr. v.p.-public policy & asst. to the chairman; Howard V. Knicely, v.p.-human relations; Bob B. Hauserman, v.p.-personnel programs; Robert G. McCarty, v.p.-employee relations; Ray N. Olson, v.p.-compensation & benefit systems; Donald G. Revelle, v.p.-human resources.

Directors: John A. Alexander, Charles R. Allen, Martin Feldstein, Ruben F. Mettler, Stanley C. Pace, Jack S. Parker, Simon Ramo, A. William Reynolds, Horace A. Shepard, J. Sidney Webb, Gerald B. Zornow, H. Gayford Stever, Alastair F. Down, Charles E. Spahr, W.H. Krome George.

Areas of Work: Car & Truck: A broad range of chassis, engine and other components for passenger cars, trucks, farm machinery and off-highway vehicles, sold worldwide for use both by original equipment manufacturers and by distributors and mass merchandisers for resale in the replacement parts market, including manual and power steering gears, pumps, hydraulic motors, suspension components, piston rings, valves, ignition systems parts, passenger restraint systems, and a service line of car and truck accessories and care products.

Electronics & Space Systems: Electronic components: including capacitors, connectors, motors, printed circuit boards, resistors, semiconductors and transformers, sold for government and commercial use in the telecommunications, computers, automotive, and home entertainment industries; Electronic systems, equipment and services; including communications equipment for defense and space applications and related research and analysis, transmission equipment for the telephone industry, authorization systems and one-line transaction and point-of-sale terminals and systems and other equipment for retail, bank, and other use, and related maintenance and support services; Computer-based & analytical services; including software systems and analytical services for space and defense, and consumer and business credit information; Spacecraft: including the design and manufacture of spacecraft and their subsystems for defense, scientific research and communications.

Industrial & Energy: Fasteners, tools & bearings, including metal and plastic fasteners, ball and roller bearings, expendable cutting tools, hand tools and taps and dies, sold to a variety of industrial and energy-related users; pumps, valves & energy services: including submergible electric pumping systems, power cables, valves, pumps and pump parts and electronic equipment sold for use in oil and gas exploration, production and pipeline transmission and other industrial purposes, components for nuclear reactors and gas and steam turbines, and planning and management support services and research and development provided to both government and commercial users; Aircraft components: including turbine and compressor airfoils and fuel and booster pumps, for commercial and military aircraft.

Divisions and Subsidiaries:

TRW Electronic Components Group
Suite 1700, 10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-6777

TRW Cinch-Graphik Division
200 South Turnbull Canyon Road
City of Industry, California 91749
(213) 333-1201
Products: Etched circuit boards, single, double-sided and multilayer circuits available with various hardware and heat sinks.

TRW LSI Products Division
2525 East El Segundo Blvd.
El Segundo, California 90245
(213) 535-1831
Products: A/D converters, D/A converters, multiplier-accumulators, shift registers and correlators.

TRW Optron
1201 Tappan Circle
Carrollton, Texas 75006
(214) 242-6571
Products: Light-emitting diodes, photo sensors, opto-couplers and assemblies.

TRW Semiconductor Division
14520 Aviation Boulevard
Lawndale, California 90260
(213) 679-4561
Products: Power switching transistors, power amplifiers and darlingtons, double slug, avalanche, varactor, Schottky, and zener diodes, power hybrids, various microelectronic circuits. RF and power transistors, linear amplifiers, and microwave integrated circuits.

TRW Connective Components
1501 Morse Avenue
Elk Grove Village,Illinois 60007
(312) 981-6010

TRW Cinch Connector Division
501 Morse Avenue
Elk Grove Village, Illinois 60007
(312) 981-6000

Products: Connectors, interconnection systems, IC sockets, relay sockets, and tube sockets, terminal strips, barrier blocks,and crimp terminals.

TRW Cinch-Monadnock Division
18301 East Arenth Avenue
City of Industry, California 91749
(213) 964-6581
Products: Fasteners and electronic hardware.

TRW Electro Magnetic Components
2275 Stanley Avenue
Dayton, Ohio 45404
(513) 228-3171

TRW Capacitor Division
301 West O Street
Ogallala, Nebraska 69153
(308) 284-3611
Products: Film, metalized film, and tantalum capacitors, molded diodes, rectifiers,and power transistors. Ceramic capacitors, film capacitors, voltage multipliers.

TRW Globe Motor Division
2275 Stanley Avenue
Dayton, Ohio 45404
(513) 228-3171
Products: DC permanent magnet and wound-field hysteresis and induction type motors and other motorized devices, including actuators, pumps blowers and integral gear trains.

TRW Inductive Products Division
661 Glenn Avenue
Wheeling, Illinois 60090
(312) 541-0300
Products: Assemblies (AFC-pin cushion circuit, convergence circuit), coils (bobbin, color puntyconvergence, IF or IFT, peaking, RF chokes, shielded IF, variable, insert molded), transformers (IF, RF, pin cushion correctors); yokes (color convergence).

TRW Resistive Products Division
401 North Broad Street
Philadelphia, Pennsylvania 19108
(215) 922-8900
Products: Resistors (carbon, metal film, wirewound, fire-proof, flameproof); variable resistors (carbon and wirewound rotary controls carbon, slide controls, carbon
and wirewound trimmers, rotary selector switches); and connectors (barriers, connectors, plugs and sockets).

TRW Marketing
Suite 1700, 10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-6777

TRW Communications Group
10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-6777

Data Systems Division
270 Yorkland Boulevard
Willowdale, Ontario, Canada M2J 1R8
(416) 491-9606
Distributor of data communications systems and equipment.

TRW Communications Systems & Services Division
9841 Airport Boulevard, Suite 620
Los Angeles, California 90024
(213) 475-6777
Communications systems, including special purpose and point-of-sale terminals and systems, controllers, concentrators, interface devices, peripherals and central processing units.

TRW Customer Service Division
70 New Dutch Lane
Fairfield, New Jersey 07006
(201) 575-7110
Maintenance service for electronic equipment.

TRW Vidar Division
77 Ortega Avenue
Mountain View, California 94040
(415) 961-1000
Transmission systems for voice and data applications. Switching systems for telephone accounting management and control; digital switching systems for local and toll telephone switching offices.

TRW Information Services
P.O. Box 1420
Long Beach, California 90801

TRW Credit Data
505 City Parkway West
Orange, California 92668
(714) 937-2000
Consumer credit reporting services.

TRW Business Credit Services
P.O. Box 5300
Suite 920, One City Blvd.
Orange, California 92667
(213) 714-2702
Nationwide business credit information in conjunction with the National Association of Credit Management (NACM).

TRW Systems & Energy:

TRW Defense & Space Systems Group
One Space Park
Redondo Beach, California 90278
(213) 535-4321

TRW Applied Technology Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321
Research in the physical life sciences; development of laser subsystems, space instruments and experiments, propulsion and energy conversion systems and subsystems; and R&D in applications of chemistry and chemical engineering. Also provides engineering support in other specialized areas and a central research capability through the Systems Research Staff.

TRW Electronic Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321
Space and communications systems, digital signal processing equipment, and microelectronic components.

TRW Colorado Electronics, Inc.
3650 North Nevada Avenue
Colorado Springs, Colorado 80907
(303) 475-0660
Encoders, decoders, signal processors, receivers, transmitters and ac/dc converters for commercial and military applications. Communications systems, spacecraft, spacecraft receivers and transponders.

Aertech Industries
825 Stewart Drive
Sunnyvale, California 94086
(408) 732-0880
Solid state microwave components for military and commercial communications and avionics.

TRW Space Systems Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321
Spacecraft design fabrication, integration, test and launch activities. Systems engineering of communication and scientific spacecraft systems including ground stations.

ESL Incorporated
495 Java Drive
Sunnyvale, California 94086
(408) 734-2244
Design and development of data systems for communications and defense applications.

TRW Ballistic Missiles Division
P.O. Box 1310
San Bernardino, California 92402
(213) 535-4321
Minuteman and MX Programs.

TRW Manufacturing Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321
Manufacturing activities for Defense & Space Systems Group.

TRW Systems Engineering & Integration Division
One Space Park
Redondo Beach, California 90278
(213) 535-4321
Systems Engineering for space and data processing fields.

Energy Systems Group
One Space Park
Redondo Beach, California 90278
(213) 535-1335

Energy Sytems Management Division
One Space Park
Redondo Park, California 90278
(213) 536-3725
Research, development, demonstration and marketing of energy systems for coal combustion and gasification, conservation and electrical load management, and environmental control. Development and management of uranium isotope enrichment systems.

Energy Systems Planning Division
7600 Colshire Drive
McLean, Virginia 22101
(703) 893-2000
Energy systems planning and analysis, engineering and program management services, energy policy analysis.

Environmental Enginering Division
One Space Park
Redondo Beach, California 90278
(213) 536-2146
Environmental sampling and analysis, pollution control technology and applications, consulting and legislative interpretation.

TRW Controls Corporation
5610 Parkersburg
Houston, Texas 77036
(713) 782-5432
Design and implementation of computer based real time control systems for geographically distributed operations.

TRW Subsea Petroleum Systems Inc.
9800 Town Park Drive
Houston, Texas 77036
(713) 772-9311
A complete line of computer based hydraulic and electro-hydraulic control systems.

Civiltech Corporation
One Space Park
Redondo Beach, California 90278
(213) 536-3525
Research, development and manufacturing of pollution abatement equipment and oil combustion burners for industrial, commercial and utility applications.

TRW Equipment Group
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-2121

Compressor Components
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-2121
Forging and machining jet engine compressor components, steam turbine blading and heavy-duty gas turbine blading.

Turbine Components
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-3474

Forging and machining turbine blades and vanes for aircraft engines, stationary gas and steam turbine engines, industrial power and marine engines. Refurbishment of aircraft and land based turbine engine components. Precision investment castings for use in aircraft engines and airframes, gas and steam turbines, industrial, marine and vehicular turbines, and high performance super-alloys for operation
in corrosive or extreme temperature environments. Ceramic materials and preformed ceramic cores for investment casting industry; quartz crucibles and quartz rods and tubes. New investment casting process development.

TRW Power Accessories
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-3237

Design, development, manufacture, assembly and test of aircraft and engine fuel-pumps, accessories, underwater propulsion systems, control rod drive mechanisms and structural components for nuclear reactors.

TRW Materials Technology
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-3147

Research, development and engineering in materials, products and processes. Metallurgical and chemical services.

TRW Manufacturing Technology
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-2424

Precision hole drilling, radiusing and deburring, fabrication of electrodes and design and construction of electrochemical machinery (ECM) drilling equipment. Design, develop, build or adapt advanced manufacturing concepts and equipment.

TRW Industrial & Replacement:

Energy Products Group
9841 Airport Boulevard
Los Angeles, California 90045
(213) 535-2212

Mission Manufacturing Company
P.O. Box 40402
Houston, Texas 77040
(713) 460-6200

Provides products and services for the oil/gas exploration and production market.

Reda Pump Co.
P.O. Box 1181
Bartlesville, Oklahoma 74003
(918) 661-2000

A complete line of submergible electrically driven, multistage centrifugal pumps.

TRW Lawrence Cable Division
P.O. Box 945
Lawrence, Kansas 66044
(913) 841-5610

Electronic cable for powering electric submergible oil well pumps.

United-Carr Divisions
31 Burlington Mall Road
Burlington, Massachusetts 01803
(617) 273-0770

TRW Carr Division
31 Ames Street
Cambridge, Massachusetts 02142
(617) 494-5500

Metal and plastic fasteners, electromechanical assemblies, and DOT clothing fasteners.

TRW Nelson Division
28th Street and Toledo Avenue
Lorain, Ohio 44055
(216) 245-6931

Standard and automatic stud welding systems and related stud fasteners.

TRW Palnut Division
Glen Road
Mountainside, New Jersey 07092
(201) 233-3300

Palnut lock nuts, self-sealing nuts, multithread nuts, and self-threading nuts; Pushnut fasteners and special fasteners.

United-Carr Division of TRW Canada Limited
455 Arvin Avenue
Stoney Creek, Ontario, Canada L8G 4A2
(416) 664-4401

Relays, timing devices, electromechanical assemblies, combination locks,deep draw metal parts and stampings.

Transfer Agent(s):

TRW Inc.
Cleveland, Ohio

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York, Midwest, Pacific, Phila-Balt-Wash., The Stock Exchange of Great Britain and Ireland, Frankfurt.

Ticker Symbol: TRW

Number of Employees:

1981	91,941	1978	93,353
1980	94,051	1977	87,152
1979	97,935		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)†
1981	$ 5,285,133	$ 229,000
1980	4,983,970	204,000
1979	4,560,303	189,000
1978	3,787,248	174,000
1977	3,263,943	154,000

	No. of Com. Shares	Earn. per Share # †
1981	33,257,000	$ 6.60
1980	32,010,000	6.15
1979	29,612,000	5.86
1978	28,555,000	5.42
1977	28,180,000	4.77

# Based on weighted average number of common shares and common stock equivalents.

† Restated to reflect changes in accounting methods to comply with FASB Statement No. 43, concerning compensated absences and FASB No. 52 concerning foreign currency translations.

Revenues By Line of Business

	1981 (000's)	1980 (000's)
Car & truck:		
Orig. equip.	$ 1,200,000	$ 1,291,000
Replacement equip.	490,000	461,000
Electronics & space systems:		
Electronic components	437,000	419,000
Computer-based & analytical serv.	393,000	377,000
Electronic systems, equip. & serv.	772,000	648,000
Spacecraft	430,000	355,000
Industrial and energy:		
Fasteners, tools & bearings	596,000	562,000
Pumps, valves & energy serv.	506,000	436,000
Aircraft components	461,000	435,000
Total	$ 5,285,000	$ 4,984,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.35	—	—
1980	2.15	—	—
1979	1.95	—	—
1978	1.75	—	—
1977	1.55	—	—

Common Stock Equity
(000's)

	Total Equity	Equity Per Share
1981	$ 1,513,646	$ 45.51
1980	1,158,108,†	36.18
1979	927,954,†	31.35
1978	758,773,‡†	26.80
1977	650,243,‡†	23.06
1976	545,114,‡†	19.72

‡ After allowing for 4% cumulative preferred stock at a redemption value of $107 per share and serial preference stock at an involuntary liquidation price of $100 per share.

† After allowing for serial prefrence Stock II at aggregate involuntary liquidation price.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 5,285,133	$ 4,983,970
Other income	52,907	42,368
Total income	$ 5,338,040	$ 5,026,338
Cost of sales	3,974,258	3,743,760
Expenses	877,025	825,594
Interest expense	65,956	66,551
Other expenses	34,812	26,985
Income before taxes	$ 385,989	$ 363,448
Income taxes	157,159	158.917
Net Income	$ 228,830	$ 204,531

* Included in Costs and Expenses, Depreciation: $145,288,000 in 1981 and $134,030,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980 †
Cash	$ 8,458	$ 22,040
Marketable securities	167,458	18,612
Accts. receiv., net	782,095	761,020
*Inventories	700,966	734,623
Prepaid expenses	31,182	27,874
Deferred income taxes	88,402	47,469
Current assets	$ 1,778,561	$ 1,611,638
#Fixed assets	1,002,308	928,171
Other assets	159,326	166,383
Intangibles	186,408	179,653
Total Assets	$ 3,126,603	$ 2,885,845

Liabilities
(000's)

Notes payable	$ 72,316	$ 105,956
Long-term debt, curr.	23,222	28,098
Accts. payable	221,342	232,930
Accruals	503,106	437,322
Income taxes	68,677	31,396
Curr. Liabilities	$ 888,663	$ 835,702
Long-term debt	350,029	386,360
Minority interest	9,891	11,160
Deferred inc. taxes	460,374	349,431
Preferred Stock:		
+ Serial preference II	5,017	6,431
+ + Common stock	41,571	40,012
Add. paid-in capital	151,102	141,550
Retained earnings	1,221,000	1,080,134
Cumulative trans. adj.	(1,044)	35,065

Total Liabilities & Shareholders' Equity	$ 3,126,603	$ 2,885,845

† Restated
* At lower of cost (34% in 1980 & 38% in 1981 at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation.
+ $2.75 stated value.
+ + $1.25 per value.

Statistical Summary

%Income bef. Taxes to Sales	7.30	7.29
%Net Income to Sales	4.33	4.10
%Net Income to Equity	16.14	15.69
Sales to Inventories	7.54	6.78
Working Capital	$ 889,898,000	$ 775,936,000
Current Ratio	2.00	1.93
Shareholders' Equity	$1,417,646,000	$1,303,192,0000

Tyco Laboratories, Inc.

Tyco Park
Exeter, New Hampshire 03833
(603) 778-7331

Officers: Joseph S. Gaziano, chairman of the board, president & chief exec. officer; Raymond L. Bisplinghoff, v.p.-research & development; Howard A. Hull, v.p.-finance; Irving Geller, v.p.-corp. communications; Morris J. Busacco, Russell L. Epker, John F. Fort, v.p.'s; Joshua M. Berman, secretary; David D. McGraw, v.p. & treasurer; William E. Boyland, v.p., clerk & gen. counsel.

Directors: Joshua M. Berman, James K. Campbell, Morris J. Busacco, Joseph S. Gaziano, Raymond L. Bisplinghoff, Robert J. Buckley, James H. Goss, W. C. Westmoreland.

Areas of Work: Manufactures fire protection systems, precision printed circuit boards in one-sided, two-sided and multilayer configurations for computers and telecommunications; underwater communications and power cable; vacuum metalized plastic films; polyethylene film and plastic products; deep-drawn metal parts for writing instruments.

Divisions and Subsidiaries:

Fire Protection & Safety

Grinnell Fire Protection Systems Co., Inc.
10 Dorrance Street
Providence, Rhode Island 02903
(401) 456-5600

Electronic & Electrical Components Group

Atlantic Coast Electronics Division
2681 Northeast 4th Avenue
Pompano Beach, Florida 33064
(305) 943-7300

Saphikon Division
51 Powers Street
Milford, New Hampshire
(603) 673-5831

North American Printed Circuit Division
Old Monson Road
P.O. Box 145
Stafford, Connecticut 06075
(203) 684-2703

Simplex Wire and Cable Division
Portsmouth, New Hampshire
(603) 436-6100

Piedmont Circuits Division
Butner, North Carolina

Consumer Materials & Packaging Products

Tyco Coating Products Division, Inc.
326 South Street
New Britain, Connecticut
(203) 225-3581

Accurate Forming Division
Walkill Road
P.O. Box 278
Hamburg, New Jersey 07419
(201) 827-7155

Armin Corporation
Jersey City, New Jersey

Mobil Tyco Solar Energy Corporation (20% interest)
Waltham, Massachusetts

Japan Solar Energy Co., Ltd. (19.5% interest)
Kyoto, Japan

Muirhead Limited (29% interest)
United Kingdom

Acquisition(s):

Ludlow Corporation
Needham Heights, Massachusetts

Manufactures woven and knit wisted kraft paper and polyester yarn and home furnishings.

Transfer Agent(s):

Mellon Bank
Mellon Square
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York

Ticker Symbol: TYC

Number of Employees:

1981	5,430	1978	3,745
1980	5,170	1977	3,675
1979	4,285		

Plant Footage:

1981	2,015,000 sq. ft.	1978	1,570,000
1980	1,965,000	1977	1,570,000
1979	1,570,000		

Sales ans. Earnings

	Net Sales	Net Income
1981	$ 360,873,000	$ 22,519,000
1980	320,268,000	22,583,000
1979	216,285,000	17,799,000
1978	165,940,000	12,179,000
1977	163,843,000	6,291,000

	No. of Com. Shares	Earn. per Share #
1981	4,672,306	$ 5.37
1980	3,755,173	6.82
1979	3,280,744	5.68
1978	3,093,969	3.92
1977	3,057,511	2.04

# Based on weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Fire protection & safety	$ 193,634,000	$ 179,123,000
Electronics & electrical	84,889,000	77,200,000
Consumer materials & electronic products	82,350,000	63,945,000
Total	$ 360,873,000	$ 320,268,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.20	—	—
1980	1.00	—	—
1979	0.85	—	—
1978	0.40	—	—
1977	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 126,313,000	$ 27.03
1980	87,382,000	23.27
1979	59,019,000	17.99
1978	44,847,000	14.49
1977	31,567,000	10.32

Income Account *

Year ended May 31	1981	1980
Net sales	$ 360,873,000	$ 320,268,000
Other income	8,669,000	9,421,000
Total income	$ 369,542,000	$ 329,489,000
Cost of sales	267,251,000	236,136,000
Expenses	54,250,000	48,486,000
Interest expense	2,729,000	4,775,000
Income before taxes	$ 44,712,000	$ 40,092,000
Income taxes	22,193,000	17,509,000
Net Income	$ 22,519,000	$ 22,583,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,405,000 in 1981 and $4,986,000 in 1980.

Assets

As of May 31	1981	1980
Cash	$ 13,488,000	$ 10,390,000
Marketable securities	50,626,000	40,180,000
Receiv., net	60,807,000	54,838,000
Contracts in process	10,714,000	15,182,000
*Inventories	34,562,000	34,300,000
Prepaid expenses	554,000	821,000
Current Assets	$ 170,751,000	$ 155,711,000
Investments	40,427,000	16,374,000
#Fixed assets	47,830,000	45,082,000
Deferred cost	9,660,000	—
Other assets & defer. charges	6,298,000	5,818,000
Total Assets	$ 274,966,000	$ 222,985,000

Liabilities

Loans payable	$ 2,148,000	$ 1,638,000
Accts. payable	23,857,000	21,413,000
Accruals	21,751,000	20,567,000
Contracts in process	6,407,000	6,511,000
Income taxes	3,084,000	4,058,000
Deferred income taxes	9,611,000	3,937,000
Other liab.	7,041,000	17,623,000
Curr. Liabilities	$ 73,899,000	$ 75,747,000
Long-term debt:		
5% conv. deben.	21,395,000	21,036,000
8½% conv. deben.	—	16,566,000
5¾% conv. deben.	5,119,000	6,301,000
6¼% conv. deben.	18,685,000	—
Deferred earn-out liability	15,585,000	7,617,000
Industrial rev. bonds	8,031,000	4,169,000
Other	231,000	260,000
Deferred inc. taxes	5,708,000	2,977,000
Tax benefit	—	930,000
+Common stock	4,[illegible]000	3,903,000
Add. paid-in capital	44,102,000	23,262,000
Retained earnings	83,154,000	65,951,000
Treasury stock	(876,000)	(876,000)
Unrealized loss	(1,073,000)	(2,392,000)
Deferred comp.	(3,814,000)	(2,466,000)
Total Liabilities & Shareholders' Equity	$ 274,966,000	$ 222,985,000

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.39	12.52
%Net Income to Sales	6.24	7.05
%Net Income to Equity	17.83	25.84
Sales to Inventories	10.44	9.34

Working Capital	$ 96,852,000	$79,964,000
Current Ratio	2.31	2.06
Shareholders' Equity	$126,313,000	$87,382,000

Tylan Corporation

23301 South Wilmington Avenue
Carson, California 90745
(213) 518-3610

Officers: Charles F. Drexel, chairman of the board & president; William E. Standring, Jr., exec. v.p. & secretary; Randall L. Rich, v.p. - sales; Klaus K. Schuegraf, v.p. & director of technology.

Directors: Charles F. Drexel, chairman; William E. Standring, Jr., Roy J. Brown, Edward F. Phillippi, Jr.; Roy L. Rogers.

Business Activities: The company manufactures production equipment used in the semiconductor industry for processing silicon wafers. Products include microprocessor control systems which provide diverse control functions for several diffusion furnances from a central location, mass flowmeters, gas blenders, as well as complete diffusion furnances.

Subsidiaries:

Tylan GmbH
Munich, West Germany

Tylan S.A.R.L.
Lyon, France

Joint Venture:

Nippon Tylan Corporation
Tokyo, Japan

Transfer Agent(s):

Bank of America NT & SA
Corporate Agency Services Center
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TYLN (NASDAQ)

Plant Footage:

1981 . . . . . . 117,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 18,340,000	$ 1,853,000
1980	17,135,000	2,831,000
1979	9,632,000	909,000
1978	6,368,000	707,000
1977	5,003,000	343,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	1,992,000	$ 0.93
1980	1,716,000	1.65
1979	2,075,000	0.44
1978	2,089,000	0.34
1977	2,043,000	0.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,954,000	$ 5.00
1980	4,787,000	2.79
1979	1,831,000	0.88
1978	1,593,000	0.76
1977	882,000	0.43

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 18,340,000	$ 17,135,000
Cost of sales	10,270,000	8,360,000
Expenses	4,931,000	3,322,000
Interest expense	63,000	351,000
Eq. in inc. of joint venture	(338,000)	(180.000)
Income before taxes	$ 3,414,000	$ 5,282,000
Income taxes	1,561,000	2,451,000
Net Income	$ 1,853,000	$ 2,831,000

* Included in Costs and Expenses, Depreciation and Amortization: $441,000 in 1981 and $192,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 350,000	$ 25,000
Accts. rec., net	3,867,000	3,623,000
* Inventories	4,969,000	4,434,000
Prepaid expenses	38,000	83,000
Deferred inc. taxes	128,000	145,000
Inc. taxes rec.	467,000	—
Current Assets	$ 9,819,000	$ 8,310,000
# Fixed assets	2,266,000	1,109,000
Invest. in joint venture	742,000	404,000
Other assets	235,000	32,000
Total Assets	$ 13,062,000	$ 9,855,000

Liabilities

Revolv. line of credit	$ 121,000	$ 416,000
Long-term debt, curr.	37,000	265,000
Accts. payable	973,000	1,074,000
Accrued payroll	527,000	347,000
Income taxes payable	—	1,682,000
Accrued emp. stock ownership plan	125,000	248,000
Cust. adv. payments	63,000	18,000
Other accrued liab.	256,000	268,000
Curr. Liabilities	$ 2,102,000	$ 4,318,000
Long-term debt	790,000	627,000
Deferred inc. taxes	216,000	123,000
+ Common stock	3,558,000	290,000
Retained earnings	6,410,000	4,557,000
Notes due from sale of stock	(14,000)	(60,000)
Total Liabilities & Shareholders' Equity	$ 13,062,000	$ 9,855,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	18.62	30.83
%Net Income to Sales	10.10	16.52
%Net Income to Equity	18.62	59.14
Sales to Inventories	3.69	3.86
Working Capital	$7,717,000	$3,992,000
Current Ratio	4.67	1.92
Shareholders' Equity	$9,954,000	$4,787,000

UMC Electronics, Co.

460 Sackett Point Road
North Haven, Connecticut 06473
(203) 288-7731

Officers: James C. Leu, president and treasurer; Victor A. Stancliff, chairman of the board; Ogden W. Sutro, chairman of the executive committee; Edward G. McHugh, senior vice president; Philip W. Lohman, v.p.-marketing; Joseph A. DiSesa, secretary; Rocco V. Mariano, vice president-engineering; Edmund L. BeGin, asst. secretary.

Directors: Victor A. Stancliff, chairman; Ogden W. Sutro, Joseph DiSesa, Chester A. Barrett, James P. Rybeck, James C. Leu, P.W. Lohman.

Areas of Work: Engaged in the manufacture, assembly, and distribution of electrical and hydraulic aircraft and vehicular testing equipment, synchronous and torque motors, and cartridge tape equipment.

Divisions:

United Manufacturing Division
Broadcast Products Division
460 Sackett Point Road
North Haven, Connecticut 06473
(203) 288-7731

Transfer Agent(s):

Union Trust Co.
300 Main Street
Stamford, Connecticut 06904

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UMCE (NASDAQ)

Number of Employees:

1981	143	1978	55
1980	115	1977	60
1979	68		

Plant Footage:

1981	76,000 sq. ft.	1978	40,000
1980	48,000	1977	40,000
1979	40,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 8,638,928	$ 411,991
1980	6,725,700	244,899
1979	2,611,774	34,969
1978	3,002,634	95,212
1977	2,525,559	127,100

	No. of Com. Shares +	Earn. per Share +
1981	811,010	$ 0.51
1980	807,194	0.30
1979	680,694	0.05
1978	680,694	0.14
1977	682,795	0.18

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Aircraft testing equip.	$ 5,772,061	$ 4,278,638
Broadcast prods.	2,866,867	2,409,154
General corp. & other	—	37,908
Total	$ 8,638,928	$ 6,725,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	10%	—
1980	—	15%	—
1979	—	10%	—
1978	—	—	—
1977	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 1,984,024	$ 2.45
1980	1,567,298	1.99
1979	1,366,428	2.01
1978	1,182,882	1.74
1977	1,117,021	1.64

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

UMC Electronics, Co.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 8,638,928	$ 6,725,700
Cost of sales	5,757,723	4,534,799
Expenses	2,204,718	1,830,250
Other income	(8,332)	(25,011)
Income before taxes	$ 684,819	$ 385,662
Income taxes	272,828	140,763
Net Income	$ 411,991	$ 244,899

* Included in Costs and Expenses, Depreciation and Amortization: $104,253 in 1981 and $88,408 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 23,934	$ 141,144
Accts. receiv., net	1,266,051	974,157
*Inventories	2,757,570	1,557,856
Prepaid expenses	51,014	23,646
Current Assets	$ 4,098,569	$ 2,696,803
#Fixed assets	737,465	645,644
Goodwill	23,906	24,531
Other assets	19,801	17,509
Intangibles	8,291	9,287
Total Assets	$ 4,888,032	$ 3,393,774

Liabilities

	1981	1980
Notes payable	$ 485,000	$ 232,000
Long-term debt, curr.	140,000	152,500
Accts. payable	1,342,362	573,262
Deferred taxes	24,456	51,451
Advance on contracts	109,117	31,375
Accruals	525,573	320,888
Curr. liabilities	$ 2,626,508	$ 1,361,476
Long-term liabilities	277,500	465,000
+Common stock	817,369	733,813
Add. paid-in capital	861,866	582,092
Retained earnings	304,789	251,393
Total Liabilities & Shareholders' Equity	$ 4,888,032	$ 3,393,774

* At cost (FIFO or standard) or market, whichever is lower.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	7.93	5.73
%Net Income to Sales	4.77	3.64
%Net Income to Equity	20.77	15.63
Sales to Inventories	3.13	4.32
Working Capital	$1,472,061	$1,335,327
Current Ratio	1.56	1.98
Shareholders' Equity	$1,984,024	$1,567,298

UMC Industries, Inc.

High Ridge Park
Stamford, Connecticut 06904
(203) 329-6000

Officers: H. Ridgely Bullock, chairman of the board, chief executive officer & president; Benton H. Brothers, exec. v.p.; Thomas C. Fish, v.p.-corp. development; R. Bruce Wynne, Jr., v.p.-personnel; John B. McLemore, v.p. & controller; John B. McLearn, v.p.-administration & general counsel; Wallace G. Henderson, v.p.-internal audit; Kenneth C. Hanrahan, dir.-computer services; Thomas J. Ungerland, assoc. general counsel.

Directors: Clarence C. Barksdale*, H. Ridgely Bullock*, John Hawkinson*, William M. Weaver, Benton H. Brothers, Jess Nicks, Dudley S. Taft, Jean-Jacques Michel, William L. Wearly, Pieter Link, C. Vink.

* Member of Executive Committee.

Areas of Work: The Company's areas of work can be divided into three operating groups: Merchandising equipment, industrial equipment and engineered plastics. The merchandising equipment group manufactures and sells electronic and electromechanical coin and currency handling systems and printed circuit boards which are used in the vending, copying, amusement and ticket dispensing machines; and in the manufacture of elctronic and electromechanical equipment. The engineered plastics group manufactures digital indicating tapes which are used for scientific instruments used in microwave communication equipment. The industrial equipment group manufactures electronic computers and remote read-out display consols for gasoline pumps, microprocessor control systems for rotary and indexing devices, and retrofitted numerically controlled machine tools.

Divisions and Subsidiaries:

Merchandising Equipment

National Rejectors Industries
1700 Lakeshore Drive
Hot Springs, Arkansas 71913
(501) 767-2313

Electronic and electromechanical coin and currency handling systems.

National Rejectors, Inc. GmbH
Zum Fruchthof 6
2150 Buxtehude, West Germany

NRI Iberica, S.A.
Avenida Francisco Cambo 14, 6-D
Barcelona 3, Spain

National Vendors
5055 Natural Bridge
St. Louis, Missouri 63115
(314) 383-3000

Manufactures coin vending machines and coin handling systems.

UMC Industries Limited
Dock Road
Lytham, Lancashire FY8 5BD
England

Coin vending machines.

Universal Nolin
Robins Street & Highway 65, South
Conway, Arkansas 72032
(501) 327-7741

Engineered Plastics

Dyrotech Industries, Inc.
101 North Republic Avenue
Joliet, Illinois 60434
(815) 725-1112

Fiberglas reinforced panels and liners, structual panels with plywood cores.

Gentape Corporation
51 La France Avenue
Bloomfield, New Jersey
(201) 748-5506

Digital indicating tapes and visual display components.

Resistoflex Corporation
Woodland Road
Roseland, New Jersey 07068
(201) 226-7700

Manufactures plastic lined steel pipes, hoses, fittings and clamp valves.

Polyflon Corporation
35 River Street
New Rochelle, New York 10801
(914) 636-7222

Manufactures components for radar and other military electronic systems, substrates for microwave transmission equipment and protective-coated coolers for use as heat exchangers for pilot fuel cell systems.

Industrial Equipment

Ferguson Machine Company
11820 Lackland Road
St. Louis, Missouri 63141
(314) 567-3200

Designs and manufactures index and transfer systems which guide and position mass-produced parts and products during manufacturing.

Ferguson Machine Company, S.A.
33 Parc Industriel
1430 Braine-Le-Chateau, Belgium

High Performance Machines, Inc.
754 West Maple Road
Troy, Michigan 48084
(313) 362-1500

Manufactures micropressor-based, electronicaly controlled automated production systems and equipment.

Unidynamics/Phoenix, Inc.
1000 North Litchfield Road
Goodyear, Arizona 85338
(602) 935-8011

Ballistic actuators, safe and arm mechanisms and precision missile fuzes.

Unidynamics/St. Louis, Inc.
472 Paul Avenue
Ferguson, Missouri 63135
(314) 522-6700

Weapons handling systems; launching, stowage and control equipment; electronic computers and remote read-out display consoles for gasoline pumps.

Winsmith
172 Eaton Street
Springville, New York 14141
(716) 592-9311

Gear reducers, gear motors, torque limiting devices and helical pump jack drives.

Zallea Brothers, Inc.
Taylor & Locust Streets
Wilmington, Delaware 19899
(302) 654-2407

Produces industrial expansion joints.

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: UMT

Number of Employees:

1981	5,700	1978	6,000
1980	6,425	1977	6,000
1979	7,500		

Plant Footage:

1981	3,510,000 sq. ft.	1978	3,000,000
1980	3,408,000	1977	3,000,000
1979	3,408,000		

Sales and Earnings

	Net Sales	Net Income #
1981	$ 335,604,000	$ 9,127,000
1980	318,280,000	10,617,000
1979	318,381,000	13,307,000
1978	255,896,000	12,795,000
1977	199,810,000	11,937,000

	No. of Com. Shares	Earn. per Share #
1981	6,132,000	$ 1.49
1980	6,112,000	1.74
1979	6,125,000	2.17
1978	6,094,000	2.10
1977	5,987,000	1.99

Adjusted to reflect changes in accounting methods for Foreign currency translation and compensated absences.

Revenues By Line of Business

	1981	1980
Merchandising Equip.	$ 133,105,000	$ 135,946,000
Industrial equip.	109,168,000	97,600,000
Engineered plastics	93,331,000	84,734,000
Total	$ 335,604,000	$ 318,280,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.20	—	—
1980	1.20	—	—
1979	1.20	—	—
1978	1.20	—	—
1977	1.10	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1981	$ 105,426,000	$ 17.19
1980	104,902,000	17.16
1979	101,952,000	16.65
1978	93,945,000	15.42
1977	86,096,000	14.38

# Based on average number of shares outstanding.
‡ Adjusted to reflect changes in accounting methods for foreign currency translation and compensated absences.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 335,604	$ 318,280
Cost of sales	263,,602	249,100
Expenses	51,259	49,695
Interest expense	7,926	7,296
Interest income	2,443	(1,186)
Other income	1,028	1,042
Income before taxes	$ 16,288	$ 14,417
Income taxes	7,476	6,786
Income from cont. oper.	$ 8,812	$ 7,631
Income from discont. oper.	315	2,986
Net Income	$ 9,127	$ 10,617

*Included in Costs and Expenses, Depreciation and Amortization: $8,125,000 in 1981 and $7,037,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 4,851	$ 3,645
Cert. of deposit & invest.	2,358	3,695
Notes & accts. receiv.	56,653	55,824
*Inventories	71,925	68,826
Prepaid expenses	5,997	5,464
Current Assets	$ 141,784	$ 137,454
#Fixed assets	78,409	72,834
Other assets	7,042	7,758
Intangibiles	11,227	11,558
Total Assets	$ 238,462	$ 229,604

Liabilities
(000's)

	1981	1980
Notes payable	$ 10,956	$ 8,934
Long-term debt, curr.	3,166	404
Accts. payable	23,683	17,978
Accruals	10,027	12,032
Accrued payroll	7,017	6,968
Income taxes	3,995	4,624
Curr. Liabilities	$ 58,844	$ 50,940
Long-term debt	69,868	70,136
Deferred inc. taxes	4,324	3,626
+ Common stock	17,690	17,629
Add. paid-in capital	21,064	20,910
Retained earnings	83,632	81,834
Foreign currency translation	(559)	931
Treasury stock	(16,401)	(16,402)
Total Liabilities & Shareholders' Equity	$ 238,462	$ 229,604

* At lower of cost or market. Cost principally determined by FIFO; remainder at LIFO.
# Less accumulated depreciation & amortization.
+ $2.50 par value.

Statistical Summary

%Net Income to Equity	8.66	10.12
Sales to Inventories	4.67	4.62
Working Capital	$ 82,940,000	$ 86,514,000
Current Ratio	2.41	2.70
Shareholders' Equity	$105,426,000	$104,902,000

The Unimax Corporation

54 East 64th Street
New York,New York 10021
(212) 755-8800

Officers: Arthur L. Carte, chairman of the board; Tom Scheinman, president & chief exec. officer; Jules Martinez, sr. v.p.; John D. Sicher, Jr., v.p. & general counsel; Richard S. Wiesenthal, exec. v.p. & treasurer; Seymour Hertz, secretary; Warren J. Kaplan, v.p. & controller; Peter Giosa, v.p.

Directors: Arthur L. Carter, Tom Scheinman, Jules Martinez, Richard S. Wiesenthal, Seymour Hertz, Peter Giosa, S. Marcus Finkle, John Halpern, Peter Hertel, William Lerner, William L. Maxson, Jr., Mark Kaplan, John D. Sicher, Jr., Warren J. Kaplan, David Blum, Robert Cimino.

Areas of Work: Engaged principally in the manufacture and sale of electrical components; in graphic arts business (photoengraving, lithograhy and typography and gravure); in the manufacture and sale of metal products (principally springs); and in the operation of retail jewelry stores.

Divisions and Subsidiaries:

Components Group

Unimax Switch Corporation
Ives Road
Wallingford, Connecticut 06492

Ward Leonard Electric Co., Inc.
31 South Street
Mt. Vernon, New York 10550

Unimax Switch Limited
Maidenhead, England

Metal Products Manufacturing Group

Lee Spring Company, Inc.
30 Main Street
Brooklyn, New York 11201

Graphics Group

Master-Eagle Photoengraving Corp.
Craftsman Color Lithoraphers, Inc.
The Type Group Inc.
Intaglio Service Company of New York City

All At:

40 West 25th Street
New York, New York 10010

Retail Group

Barry's Jewelers, Inc.
543 South Broadway
Los Angeles, California 90013

Transfer Agent(s):

Bradford Trust Company
New York, New York 10004

Stock Exchange(s): American, Pacific, Phil.

Ticker Symbol: UMX

Number of Employees:

1980	1,717	1977	2,027
1979	2,033	1976	1,986
1978	2,019		

Plant Footage:

1980 ...... 558,900 sq. ft.

Sales and Earnings #

	Revenues †	Net Income ‡
8/31/81	$ 86,280,300	$ 1,097,400
8/31/80*	56,081,200	838,100
12/31/79	79,870,000	3,995,100
12/31/78	68,809,200	5,171,200
12/31/77	59,600,000	3,078,300

	No. of Com. Shares +	Earn. per Share ‡ +
8/31/81	1,892,693	$ 0.47
8/31/80	1,871,969	0.37
12/31/79	1,754,621	2.15
12/31/78	1,648,836	3.00
12/31/77	1,391,113	2.01

# Restated to reflect change in accounting method to comply with FASB Statement No. 48 concerning revenue recognition.
* 8 months.
† Of continuing operations only.
‡ Including extraordinary gains of $749,200 ($0.40 per share) in 1981, $140,700 ($0.15 per share) in 1980, $217,300 ($1.14 per share) in 1979, $2,420,300 ($1.47 per share) in 1978 and $1,854,730 ($1.33 per share) in 1977.
+ Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Electrical components group	$ 34,289,000	$ 24,682,000
Metal products mfg. group	10,070,000	6,389,000
Graphic group	20,683,000	13,594,000
Retail group	21,238,000	11,416,000
Total	$ 86,280,000	$ 56,081,000

Income Account *

Year ended Aug. 31	1981	1980 ‡ (8 months)
Revenues	$ 86,280,300	$ 58,081,200
Cost of sales	50,535,100	33,768,300
Expenses	26,217,500	16,103,700
Interest & debt expense	5,899,700	3,772,100
Depreciation and amortization	2,704,900	1,653,200
Other expense (income)	259,100	(64,000)
Income before taxes	$ 664,000	$ 847,900
Income taxes	339,600	329,100
Inc.-cont. oper.	$ 324,400	$ 518,800
Inc. -discont. oper.	23,800	31,600
Net Income	$ 348,200	$ 550,400
Extraord. gain	749,200	287,700
Net Income & extraodinary gain	$ 1,097,400	$ 838,100

‡ Restated.

Assets

As of Dec. 31	1981	1980 ‡
Cash	$ 1,384,900	$ 1,039,200
Accts. & notes receiv., net	18,565,000	17,891,500
*Inventories	19,537,700	20,690,300
Prepayment & other assets	773,200	1,023,400
Current Assets	$ 40,260,800	$ 40,644,400
Investments	777,300	746,200

#Fixed assets	18,793,400	18,890,700
Other assets	2,308,500	2,348,500
Intangibles	7,646,800	7,720,600
Total Assets	$ 69,786,800	$ 70,350,400

Liabilities

Notes & revolving loans	$ 9,297,500	$ 9,689,500
Long-term debt, curr.	4,135,400	1,274,900
Accts. payable & accruals	7,544,600	8,935,800
Other liabilities	3,571,300	2,808,300
Curr. Liabilities	$ 24,548,800	$ 22,708,500
Long-term debt	6,534,600	8,913,300
Other liabilities	2,156,200	2,674,700
Conv. subord. debt	17,237,300	17,937,300
+ Preferred stock: Series A	1,055,200	1,055,200
+ + Common stock	1,469,000	1,451,000
Add. paid-in capital	27,936,500	27,858,600
Deficit	(9,494,500)	(10,591,900)
Treasury stock	(1,656,300)	(1,656,300)
Total Liabilities & Shareholders' Equity	$ 69,786,800	$ 70,350,400

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $3 par value.
+ + $0.75 par value.

Statistical Summary

%Net Income to Equity	1.80	3.04
Sales to Inventories	4.42	2.81
Working Capital	$15,712,000	$17,935,900
Current Ratio	1.64	1.79
Shareholders' Equity	$19,309,900	$18,116,600

United Aircraft Products, Inc.

Dayton International Airport
P.O. Box 1335
Dayton, Ohio 45401
(513) 898-1811

Officers: Maury L. Spanier, chairman of the board & chief executive officer; Milton S. Cohn, chairman of the executive committee; Nick G. Harris, president & chief operating officer; Henry Cozzolino, v.p.-marketing; Eugene J. Cattaneo, v.p.-manufacturing; Robert R. Pfouts, v.p.-engineering; Carl E. Simmons, v.p.; Charles A. Gockel, Jr., treasurer; Zevie B. Schizer, secretary.

Directors: Benjamin Alpert, Milton S. Cohn, Robert K. Hart, Norman I. Schafler, Maury L. Spanier, Nick G. Harris, Marvin J. Kirsten, Albert J. Rosenthal, Donald W. Thomas.

Areas of Work: Engaged in the design, development and manufacture of products for companies in the aerospace industry, with special emphasis upon thermal control systems, heat exchangers, oil system reservoirs, and related equipment. Products include vapor and air cycle refrigeration systems, expendable refrigerant systems, electronic cooling systems, liquid chillers, dehumidifiers, water separators and liquid cooling systems; thermal insulations; heat exchangers; metallic seals; oil tanks, accumulators, and pressure vessels; aerospace ground equipment, including mobile air conditioners, fluid charging systems, special ground handling equipment, and test stands.

Subsidiary:

UAP Components, Inc.
Columbia Industrial Park
Columbia, South Carolina 29209
(803) 783-1880

Transfer Agent(s):

Bradford Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: UAP

Sales and Earnings

	Net Sales	Net Income
1981	$ 17,841,420	$ 1,273,854
1980	18,468,000	1,672,000
1979	18,027,000	2,002,000
1978	16,036,000	1,771,000
1977	15,084,000	1,399,000

	No. of Com. Shares	Earn. per Share ‡
1981	1,490,870	$ 0.86
1980	1,383,512	1.16
1979	1,244,782	1.40
1978	1,130,326	1.24
1977	1,026,326	0.99

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.61	5%	—
1980	0.59	10%	—
1979	0.50	10%	—
1978	0.43	10%	—
1977	0.36	10%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 12,935,081	$ 8.68
1980	12,198,209	8.82
1979	11,301,718	9.08
1978	9,990,958	8.84
1977	8,901,209	8.67

Income Account *

Year ended Nov. 30	1981	1980
Net sales	$ 17,841,420	$ 18,467,991
Cost of sales	13,742,462	13,552,183
Expenses	2,537,462	2,725,623
Other income	(637,137)	(363,445)
Income before taxes	$ 2,198,854	$ 2,553,630
Income taxes	925,000	1,029,000
Cum. effect of deprec. change	—	(147,479)
Net Income	$ 1,273,854	$ 1,672,109

* Included in Costs and Expenses, Depreciation and Amortization: $355,908 in 1981 and $214,157 in 1980.

Assets

As of Nov. 30	1981	1980
Cash	$ 2,799,357	$ 2,156,255
Accts. receiv.,net	3,136,090	3,523,018
* Inventories	6,711,142	6,351,160
Prepaid expenses & deferred inc. taxes	312,087	428,949
Current Assets	$ 12,958,676	$ 12,459,382
#Fixed assets	3,952,719	3,316,364
Total Assets	$ 16,911,395	$ 15,775,746

Liabilities

Accts. payable	$ 1,268,499	$ 911,535
Accruals	1,306,377	1,363,628
Income taxes	542,438	590,374
Curr. Liabilities	$ 3,117,314	$ 2,865,537
Deferred inc. taxes	859,000	712,000
+ Common stock	749,019	695,340
Add. paid-in capital	10,004,771	8,805,243
Retained earnings	2,181,291	2,821,284
Treasury stock	—	(123,458)
Total Liabilities & Shareholders' Equity	$ 16,911,395	$ 15,775,746

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.32	13.83
%Net Income to Sales	7.14	9.05
%Net Income to Equity	9.85	13.71
Sales to Inventories	2.66	2.91
Working Capital	$ 9,841,362	$ 9,593,845
Current Ratio	4.16	4.35
Shareholders' Equity	$12,935,081	$12,198,209

United Industrial Corporation

18 East 48th Street
New York, New York 10017
(212) 752-8787

Officers: Bernard Fein, president; A. Edwin Fein, v.p. & secretary; Irwin R. Barr, Leon Fern, Harold L. Knox, v.p.'s; Howard M. Bloch, treasurer.

Directors: Arthur P. Clow, A. Edwin Fein, Bernard Fein, Ben Feit, Howard M. Bloch, Myron Simons.

Subsidiaries:

AAI Corporation
Cockeysville, Maryland; Orlando, Florida; Oakland, California

Engaged in the development and manufacture of automatic test equipment for aircraft; weapons, ammunition and fuzing; material handling equipment; simulator for electronic warfare training (SEWT); and solar energy systems.

Affiliated Hospital Products, Inc.
Perry Group
Massillon & Carrollton, Ohio; Columbus, Ga.; Ajax, Canada

Different types of gloves, catheters, finger cots and tubing for the hospital market.

Equipment Group
St. Louis, Mo.; Columbus, Ga.

Produces hospital equipment such as hospital beds.

MPL, Inc.
Chicago & Franklin Park, Illinois

Development and sale of a patented unit-dose system; medical and dental needles.

Neo Products Company
Chicago, Illinois

Producer of custom thermaplastic parts for the merchandisers of major appliances.

Detroit Stoker Company
Monroe & Marshall, Michigan; Columbus, Ohio

Designs, manufactures and markets coal burning stokers and auxiliary equipment, refuse burning systems, pollution control devices, related material handling equipment, and waste material crushers/shredders.

Transfer Agent(s):

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Bank of America, N.T. & S.A.
111 West Seventh Street
Los Angeles, California 90014

Stock Exchange(s): New York

Ticker Symbol: UIC

Number of Employees:

1981	4,300	1978	3,400
1980	3,800	1977	2,988
1979	3,860		

Plant Footage:

1981	1,749,228 sq. ft.	1978	1,585,364
1980	1,604,088	1977	1,480,194
1979	1,716,064		

Sales and Earnings

	Net Sales †	Net Income
1981	$ 202,148,000	$ 11,076,000
1980	165,492,000	7,825,000
1979	144,426,000	7,073,000
1978	125,577,000	6,079,000
1977	107,293,000	5,474,000

	No. of Com. Shares +	Earn. per Share #
1981	3,075,451	$ 3.60
1980	3,075,451	2.75
1979	2,985,714	2.53
1978	2,821,418	2.26
1977	2,765,323	1.99

† Of continuing operations only.
# Based on weighted average number of common shares outstanding adjusted to reflect stock dividends.
+ Adjusted to reflect stock dividends.

Revenues By Line of Business

	1981	1980
Health prods.	$ 52,045,000	$ 48,157,000
Defense contractor	115,773,000	86,308,000
Industrial cumbustion equip.	29,464,000	28,450,000
Other	4,866,000	2,577,000
Total	$ 202,148,000	$ 165,492,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1981	$0.89	10%	—
1980	0.76	10%	—
1979	0.66	10%	—
1978	0.56	10%	—
1977	0.46	10%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 54,257,000	$ 17.64
1980	45,964,000	14.95

‡ Restated to reflect change in accounting method of a subsidiary to comply with FASB Statement No. 43 concerning compensated absences.
† Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 202,148,000	$ 165,492,000
Cost of sales	155,604,000	127,836,000
Expenses	26,287,000	21,121,000
Interest expense	149,000	2,065,000
Income before taxes	$ 20,108,000	$ 14,470,000
Income taxes	8,203,000	5,719,000
Minority iterest	829,000	457,000
Income-cont. oper.	$ 11,076,000	$ 8,294,000
Loss-discont. oper.	—	(469,000)
Net Income	$ 11,076,000	$ 7,825,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,381,000 in 1981 and $3,646,000 in 1980.

Assets

As of Dec. 31	1981	1980
Cash & marketable securities	$ 3,948,000	$ 1,332,000
Trade receiv., net	28,783,000	25,683,000
*Inventories	36,873,000	32,412,000
Prepaid expenses	3,314,000	1,076,000
Current Assets	$ 72,918,000	$ 60,503,000
#Fixed assets	32,046,000	25,462,000
Other assets	12,909,000	12,846,000
Total Assets	$ 117,873,000	$ 98,811,000

Liabilities

	1981	1980
Notes payable	$ —	$ 6,300,000
Long-term debt, curr.	118,000	879,000
Accts. payable	9,825,000	9,239,000
Accrued payroll	6,240,000	4,315,000
Cust. advances	8,569,000	2,572,000
Income taxes	456,000	706,000
Other liabilities	6,466,000	6,083,000
Deferred inc. taxes	12,041,000	7,910,000
Curr. Liabilities	$ 43,715,000	$ 38,004,000
Long-term debt	1,842,000	2,050,000
Deferred inc. taxes	12,688,000	8,249,000
Minority interest	5,371,000	4,544,000
+Common stock	4,351,000	4,073,000
Add. paid-in capital	35,443,000	27,098,000
Retained earnings	19,133,000	19,463,000
Treasury stock	(4,670,000)	(4,670,000)
Total Liabilities & Shareholders' Equity	$ 117,873,000	$ 98,811,000

* At lower of cost (LIFO, actual, average, standard) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	9.95	—
%Net Income to Sales	5.48	—
%Net Income to Equity	20.41	17.02
Sales to Inventories	5.48	—
Working Capital	$29,203,000	$22,499,000
Current Ratio	1.67	1.59
Shareholders' Equity	$54,257,000	$45,964,000

United Technologies Corporation

United Technologies Building
Hartford, Connecticut 06101
(203) 728-7000

Officers: Harry J. Gray, chairman of the board, president & chief executive officer; Robert J. Carlson, exec. v.p.-Power, president-Pratt & Whitney Aircraft Group; Melvin C. Helm, chairman-Carrier; Peter L. Scott, exec. v.p.-Electronics; Hubert Faure, exec. v.p.-Building Systems, chairman & chief exec. officer-Otis; Stillman B. Brown, exec. v.p.-finance & administration; Edward W. Large, exec. v.p.-legal & corp. affairs; Ramond D'Argenio, sr. v.p.-communications; Clark MacGregor, sr. v.p.-external affairs; Sidney F. McKenna, sr. v.p.-human resources & organization; Richard F. Gamble, group v.p.-Controls Group, president-Hamilton Standard Division; Wesley A. Kuhrt, sr. v.p.-technology; James A. O'Connor, group v.p.-Essex Group, president & chief exec. officer-Essex; Edward J. Rapetti, group v.p.-Automotive Group, president & chief exec. officer-Ambac;Rolf D. Bibow, v.p. & president-European and Transcontinental Operations-Otis; Joseph A. Biernat, v.p. & treasurer; Richard J. Coar, v.p., exec. v.p.-Power Sector; William J. Evans, Dale W. Van Winkle, Ralph A. Weller, vice presidents; Beverly C. Lanquist, v.p.-investor relations; Martin R. Lewis, Jr., v.p. & secretary; James F. Lyons, v.p.-strategic planning; Russell G. Meyerand, Jr., v.p.-technology; Nathaniel B. Morse, v.p. for industrial relations; Francis L. Murphy, v.p. for public relations & communications; Donald Nigro, v.p.-manufacturing; Charles B. Preston, v.p. & controller; Hugh E. Witt, v.p.-governmental liaison; Irving B. Yoskowitz, v.p. & general counsel; Barnet R. Adelman, v.p.-Power Sector; Robert F. Allen, president & chief exec. officer-Carrier; Anthony D. Autorino, president-Building Automation;Wolfgang W. Dannenberg, gen. mgr., Pacific Area Operations-Otis; Robert F. Daniell, president & chief exec. officer-Sikorsky Aircraft; George A.L. David, president, North American Operations-Otis; Harold L. Ergott, Jr., president & chief exec. officer-Mostek; Edward M. Irving, president & chief exec. officer-Inmont; Francois Jaulin, president & chief operating officer-Otis; Max J. Knapp, president-Power Systems Division; Donald C. Lowe, president-Commercial Products Division of Pratt & Whitney Aircraft Group; Frank W. McAbee, Jr., president-Government Products Division of Pratt & Whitney Aircraft Group; Eugene V. McAuliffe, president-United Technologies (Europe); T. Stephen Melvin, president-Elliot; Herman A. Michelson, president-Norden Systems; William L. Sammons, group v.p.-Carrier Air Conditioning Domestic Operations; Elvie L. Smith, president & chief exec. officer-Pratt & Whitney Aircraft of Canada, Ltd.;Jean-Pierre van Rooy, president-Carrier International; Arthur E. Wegner, president-Manufacturing Division of Pratt & Whitney Aircraft Group; William A. Wilson, gen. mgr.-Latin American Operations, Otis.

Directors: Henry J. Gray*, chairman; T. Mitchell Ford*, Robert L. Sproull, William I. Spencer*, Alfred W. Van Sinderen*, Richard S. Smith, Walter F. Probst*, Hubert Faure, Jacqueline G. Wexler, Robert J. Carlson, Melvin C. Holm, Antonia H. Chayes, Robert F. Dee, Peter L. Scot*, William E. Simon, Darwin E. Smith, Charles W. Duncan, Jr., Pehr G. Gyllenhammar.

* Member of Executive Committe.

Areas of Work: Vertical-lift aircraft for military and civil operation and precision systems for flight, including environmental engine, air-inlet, and wing-sweep actuator controls; airborne integrated data systems and flight recorders; airborne radar and cockpit display systems; propellers; solid propellant rocket boosters and motors; liquid-fueled and hybrid rocket engines; space life support, environmental, guidance, and power systems; altitude control thrusters; turbine aircraft engines in a range of power ratings; gas turbines and allied equipment for electrical power generation, industrial process, natural gas transmission, and marine propulsion; computerized diagnostic and control systems for the automotive and other industries; laser welding systems for industry; electrical products principally for electric utility, telephone, automotive, construction and appliance markets; elevators and escalators.

Divisions and Subsidiaries:

Pratt & Whitney Aircraft Group
East Hartford, Connecticut 06108
(203) 565-4321

Otis Group, Inc.
245 Park Avenue
New York, New York 10017
(212) 557-5700

Hamilton Standard Division
Bradley International Airport
Windsor Locks, Connecticut 06096
(203) 623-1621

AMBAC Industries, Incorporated
One Old Country Road
Carle Place, New York 11514
(516) 742-5700

Sikorsky Aircraft Division
Stratford, Connecticut 06497
(203) 378-6361

Norden System, Inc.
Helen Street
Norwalk, Connecticut 06856
(203) 838-4471

Power Systems Division
Hartford, Connecticut 06101
(203) 728-7000

Essex Group, Inc.
1601 Wall Street
Fort Wayne, Indiana 46804
(291) 743-0311

Research Center
East Hartford, Connecticut 06108
(203) 565-4321

Pratt & Whitney Aircraft of West Virginia, Inc.
P.O. Box 245
Bridgeport, West Virginia 26330
(304) 842-5421

United Technologies International Incorporated
East Hartford, Connecticut 06108
(203) 565-4321

United Technologies Corporation

Pratt & Whitney Aircraft of Canada Limited (97% owned)
P.O. Box 10
Longueuil, Quebec, Canada
(514) 677-9411

Carrier Corporation
Carrier Tower
Syracuse, New York 13221
(315) 424-4711

Engaged in the manufacture and sale of air conditioning equipment, chemical specialty products and energy processing equipment.

Mostek Corporation
P.O. Box 169
1215 Crosby Road
Carrollton, Texas 75006
(214) 323-8822

Products include integrated circuits and sub-systems for the data processing and telecommunications industries.

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10043

The Chase Manhattan Bank N.A. ($8.00 preferred stock)
1 New York Plaza
New York, New York 10081

Chemical Bank ($3.875 preferred stock)
55 Water Street
New York, New York 10041

Morgan Guaranty Trust Company of New York ($2.55 and $4.50 preferred stock)
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, London, Paris, Frankfurt, Geneva, Basel, Zurich, Brussels, Amsterdam, Lausanne.

Ticker Symbol: UTX

Number of Employees:

1981	189,700	1978	152,213
1980	200,200	1977	138,587
1979	197,700		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 13,667,758	$ 457,686
1980	12,323,994	393,383
1979	9,053,358	325,608
1978	6,265,318	234,144
1977	5,550,670	195,972

	No. of Com. Shares ‡	Earn. per Share ‡
1981	49,402,486	$ 7.71
1980	42,855,312	7.28
1979	41,625,259	6.49
1978	38,721,528	5.45
1977	28,972,461	5.66

‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Power	$ 5,566,682	$ 4,861,590
Flight systems	1,656,749	1,362,833
Building syst.	3,741,626	3,375,331
Indust. prods. for auto. elec. & other	2,587,562	2,615,629
Other	291,679	292,414
Eliminations	(176,540)	(183,803)
Total	$ 13,667,758	$ 12,323,994

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$2.40	—	—
1980	2.20	—	—
1979	2.20	—	—
1978	2.00	—	—
1977	1.65	—	—

Common Stock Equity †

	Total Equity +	Equity Per Share ‡
1981	$2,445,910,000	$ 47.14
1980	1,864,827,000	42.71
1979	1,599,860,000	37.99
1978	1,411,767,000	34.39
1977	1,069,466,000	34.23

† Restated to reflect change in accounting method to comply with FASB Statements No. 43 and 52 concerning compensated absences and foreign currency translation.

+ After allowing for preferred stock at aggregate liquidation value.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 13,667,758	$ 12,323,994
Other income	96,839	75,397
Total income	$ 13,764,577	$ 12,399,391
Cost of sales & services	10,081,262	9,038,161
Expenses	1,827,256	1,684,046
Research & devel.	735,825	660,296
Interest expense	244,839	229,848
Income before taxes	$ 875,415	$ 787,040
Income taxes	402,691	373,844
Minority interest	15,038	19,813
Net Income	$ 457,686	$ 393,383

* Included in Costs and Expenses, Depreciation: $277,630,000 in 1981 and $226,298,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & short-term invest.	$ 167,955	$ 147,028
Accts. receiv., net	1,506,740	1,585,586
*Inventories	2,732,158	2,778,493
Prepaid expenses	81,673	66,230
Current Assets	$ 4,488,526	$ 4,577,337
Investments & advances	166,021	151,015
Accts. & notes receivable	118,771	58,995
#Fixed assets	2,203,322	1,963,311
Defer. charges	578,463	585,358
Total Assets	$ 7,555,103	$ 7,336,016

Liabilities
(000's)

Notes payable	$ 392,762	$ 663,548
Long-term debt, curr.	74,378	25,573
Accts.payable	869,942	912,722
Accruals	1,227,817	1,236,899
Income taxes	140,750	122,983
Deferred inc. taxes	64,982	69,631
Advances on contracts	143,913	186,842
Curr. Liabilities	$ 2,914,544	$ 3,218,198
Long-term debt	832,817	867,270
Deferred invest. tax credit	283,817	203,568
Other liabilities	232,168	231,225
Minority interest	79,665	80,902
+ Preferred stock:		
$4.50 Cumulative	2,014	3,470
$2.55 Cumulative	557,592	551,657
$3.875 Cumulative	179,614	187,643
$7.32 Cumulative	—	95,290
$8.00 Cumulative	12,007	16,556
+ + Common stock	1,058,729	678,591
Deferred trans. adjust.	(60,047)	—
Retained earnings	1,462,602	1,201,646
Total Liabilities & Shareholders' Equity	$ 7,555,103	$ 7,336,016

* At lower of cost or estimated realizable value.

# Less accumulated depreciation and amortization.

+ $1 par value, convertible.

+ + $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.40	6.39
%Net Income to Sales	3.35	3.19
%Net Income to Equity	14.25	14.38
Sales to Inventories	5.00	4.44
Working Capital	$1,573,982,000	$1,359,139,000
Current Ratio	1.54	1.42
Shareholders' Equity	$3,212,511,000	$2,734,853,000

United Telecommunications, Inc.

2330 Johnson Drive
Westwood, Kansas 66205
(913) 676-3000

Mailing address:

P.O. Box 11315
Kansas City, Missouri 64112

Officers: Paul H. Henson, chairman of the board & chief executive officer; Raymond M. Alden, vice chairman; Charles W. Battey, president & chief operating officer; John F. Dodd, executive v.p. & general counsel; G. Jack Lorenz, executive v.p.; Richard J. Croker, Donald G. Forsythe, Thomas A. Benedett, H. Dan Fisk, John M. Lothschuetz, Ralph T. Whiteside, v.p.'s; Frank R. Ventura, v.p. & controller; John M. Napiecek, v.p. & treasurer; Don A. Jensen, v.p. & secretary.

Directors: Raymond M. Alden, Charles W. Battey, Warren L. Batts, Joseph D. Brenner, Ruth M. Davis, William N. Deramus III, Paul H. Henson, Carl Horn, Jr., Thomas S. Numberger, James C. Olson, Charles E. Rice, Avis G. Tucker, Stewart Turley.

Areas of Work: A publicly-owned holding company which has three operating groups, United Communications Systems, Inc. is engaged principally in telecommunications, electrical, CATV and security and alarm product distribution; United Information Systems, Inc. offers remote computing and data network services and United Telephone System, Inc. is the nation's second largest non-Bell telephone system.

Subsidiaries:

United Communications Systems, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000

Consists of the following companies:

North Supply Company
10951 Lakeview Avenue
Lenexa, Kansas 66219
(913) 888-9800

UniTel International, Inc.
6045 Martway
Shawnee Mission, Kansas 66205

Wintel Service Corporation
Box 9200
Longwood, Florida 32750

Winco Construction Corporation
Box 9300
Longwood, Florida 32750

United Telecom Computer
P.O. Box 8551
Kansas City, Missouri 64114
(913) 341-9161

Consists of the following companies:

United Computing Systems, Inc.
2525 Washington Street
Kansas City, Missouri 64108

On-Line Systems
115 Evergreen Heights
Pittsburgh, Pennsylvania 15229

United Computing International
United House, 5666 Leonard Street
London EC2, England

Uninet, Inc.
2525 Washington Street
Kansas City, Missouri 64108

United Telephone System, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000

Carolina Telephone and Telegraph Co.
720 Western Blvd.
Tarboro, North Carolina 27886
(919) 823-9900
Consists of the following companies:
United Telephone Company of the Carolinas
Norfolk Carolina Telephone Company

United Telephone System-Florida Group
919 West Highway 436
Altamonte Springs, Florida 32701
(305) 862-1123
Consists of the following companies:
Florida Telephone Corporation
United Telephone Company of Florida
Winter Park Telephone Company

United Telephone Company of Indiana
Post Office Box 391
Warsaw, Indiana 46580
(219) 267-6161

United Telephone System-Northwest Group
601 State Street
Hood River, Oregon 97301
(503) 386-2211
Consists of the following companies:
United Telephone Company of the Northwest
California-Oregon Telephone Company

United Telephone Company of Ohio
Post Office Box 3555
Mansfield, Ohio 44907
(419) 755-8011

United Telephone System-Eastern Group
1170 Harrisburg Pike
Carlisle, Pennsylvania 17013
(717) 243-6312
Consists of the following companies:
United Telephone Company of Pennsylvania
United Telephone Company of New Jersey
New Jersey Telephone Company
West Jersey Telephone Company
Hillsborough and Montgomery Telephone Company
Saltillo Telephone Company

United Telephone System-Texas Group
P. O. Box 2016
Tyler, Texas 75710
(214) 675-8521
Consists of the following companies:
Gulf States-United Telephone Company
Palo Pinto Telephone Company

United Telephone System-Midwest Group
6666 W. 110th St.
Overland Park, Kansas 66211
(913) 381-6400
Consists of the following companies:
United Telephone Company of Iowa
United Telephone Company of Kansas
United Telephone Company of Minnesota
United Telephone Company of Missouri
United Telephone Company of Arkansas
United Telephone Company of the West

United Telephone System-Southeast Group
112 Sixth Street
Bristol, Tennessee 37620
(615) 968-8121
Consists of the following companies:
United Inter-Mountain Telephone Company
United Telephone Company of the Carolinas

Transfer Agent(s):

United States Trust Company
130 John Street
New York, New York 10038

United Missouri Bank of Kansas City, N.A.
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: UT

Number of Employees:

1981	29,680	1978	27,651
1980	29,320	1977	24,600
1979	29,601		

Sales and Earnings †

	Revenues & Sales # (000's)	Net Income (000's)
1981	$ 2,263,438	$ 261,753
1980	1,924,177	175,719
1979	1,758,405	181,118
1978	1,484,655	167,136
1977	1,264,359	141,679

	No. of Com. Shares ‡	Earn. per Share ‡
1981	73,803,000	$ 3.47
1980	70,598,000	2.40
1979	68,100,000	2.56
1978	65,800,000	2.42
1977	62,000,000	2.10

† Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences and to include operations of companies acquired on a pooling of interests basis.
‡ Based on the average number of shares outstanding.
# Of continuing operations only.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.64	—	—
1980	1.56	—	—
1979	1.48	—	—
1978	1.38	—	—
1977	1.26	—	—

Common Stock Equity ‡

	Total Equity †	Equity Per Share +
1981	$1,325,106,000	$ 17.95
1980	1,115,925,000	15.81
1979	1,001,982,000	14.71
1978	869,274,000	13.21
1977	741,843,000	11.97

‡ Restated.
† After allowing for preferred stock at involuntary liquidation values of $40 per share for First Series and $33⅓ per share for Second Series.
+ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Telephone Syst.:		
Revenues	$ 1,639,967	$ 1,406,888
Maintenance	313,360	270,314
Depreciation	333,859	274,193
Other expenses	364,595	316,081
Income taxes	67,381	49,753
Investments tax credit	28,028	33,497
Deferred income taxes	46,732	37,629
Other taxes	131,165	114,980
Oper. income	$ 354,847	$ 310,441
Interest income	(7,080)	(7,111)
Other income	(3,752)	(1,820)
Interest expense	145,037	133,734
Pref. div. of subsid.	3,590	3,850
Income from telephone syst.	$ 217,052	$ 181,788
Communications Syst.:		
North Supply Co.:		
Net sales	478,128	381,958
Cost of sales	420,775	337,956
Expenses	35,182	24,324
Interest expense	4,624	4,471
Income taxes	8,543	7,421
Income from North Supply	$ 9,004	$ 7,786
International oper.	(139)	(695)
Income from Comm. Syst.	$ 8,865	$ 7,091
Computer group		
Revenues & net sales	137,356	127,659
Expenses & cost of sales	139,759	117,766
Interest exp.	2,044	701
Income taxes	(3,063)	4,098
Income (loss) from Computer group	(1,384)	5,094
Parent operations	(18,677)	(20,285)
Other operations	(32)	49
Income-cont. oper.	$ 205,824	$ 173,737
Income-discont. oper.	55,929	1,982
Net Income	$ 261,753	$ 175,719

‡ Restated.
* Included in Costs and Expenses, Depreciation: $349,891,000 in 1981 and $287,444,000 in 1979.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 30,269	$ 34,239
Invest. & deposits	25,933	17,400
Note receiv.	100,000	—
Accts. receiv., net	261,323	248,805
*Inventories	131,197	124,832
Prepaid expenses	28,378	25,166
Current Assets	$ 577,100	$ 450,442
Investments	11,723	9,882
Non-curr. receiv.	2,631	3,518
#Fixed assets	3,987,019	3,718,396
Defer. charges	26,061	26,838
Intangibles	16,257	16,318
Total Assets	$ 4,620,791	$ 4,225,394

Liabilities
(000's)

Outstanding checks	$ 51,929	$ 16,492
Notes payable	88,491	98,562
Long-term debt, curr.	33,842	27,740
Accts. payable	132,449	116,538
Comm. paper	158,726	127,670
Accrued interest	34,800	33,298
Advance billings	25,740	22,639
Accrued taxes	125,992	85,239
Other taxes	91,185	90,134
Curr. Liabilities	$ 743,154	$ 618,312
Long-term debt	1,672,181	1,669,879
Deferred credit	744,710	670,514
Redeem. pref. stock:		
Parent	35,200	36,400
Subsid.	19,503	21,736
Non-redeem. stock of subsid.	24,355	24,355
Preferred stock:		
+ First series	786	931
+ + Second series	4,519	5,470
+ + + Common stock	188,330	180,577
Emp. stock purch. install.	13,450	5,661
Add. paid-in capital	474,433	427,174
Retained earnings	700,170	564,385

Total Liabilities & Shareholders' Equity	$ 4,620,791	$ 4,225,394

‡ Restated.
* Utility inventories at average cost. Supply inventories at lower of average Cost or market.
+ $3.75 stated value, convertible.
+ + $3.125 stated value, convertible.
+ + + $2.50 par value.

Statistical Summary

%Net Income to Equity	18.94	14.84
Shareholders' Equity	$1,381,688,000	$1,184,198,000

United Telecontrol Electronics, Inc.

3500 Sunset Avenue
Asbury Park, New Jersey 07712
(201) 922-1000

Officers: Harold T. Sher, president; Raymond F. Herter, v.p., secretary & treasurer; Caroline E. Letts, asst. secretary.

Directors: Harold T. Sher, Raymond F. Herter, Stanley R. Sprung, Philip H. Meyer, Jr., Caroline E. Letts.

Areas of Work: Memory systems and memory products, consisting of core planes or arrays, radar transponders, telemetry equipment, telephone converters.

Affiliates:

UTE Microwave, Inc.
3500 Sunset Avenue
Asbury Park, New Jersey 07712
Produces microwave components.

Subsidiaries:

UTE Consumer Products, Inc.
3500 Sunset Avenue
Asbury Park, New Jersey 07712
Produces electrical appliances.

Transfer Agent(s):

National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTEL (NASDAQ)

Plant Footage:

1981	50,000 sq. ft.	1978	50,000
1980	50,000	1977	50,000
1979	50,000		

Sales and Earnings

	Net Sales	Net Income +
1981	$ 3,899,743	$ 115,235
1980	3,203,662	38,214
1979	2,604,775	(5,801)
1978	2,254,435	(395,742)
1977	3,354,081	38,186

	No. of Com. Shares	Earn. per Share # +
1981	397,920	$ 0.29
1980	397,920	0.10
1979	397,920	—
1978	397,920	—
1977	406,245	0.09

(Loss)
Based on the weighted average number of shares outstanding.
+ Including extraordinary gain of $3,000 ($0.01 per share) in 1980.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,763,149	$ 4.43
1980	1,647,914	4.14
1979	1,606,700	4.04
1978	1,612,501	4.05
1977	2,024,381	4.98

Income Account *

Year ended March 31	1981	1980
Net sales	$ 3,899,743	$ 3,203,662
Cost of sales	2,877,086	2,391,596
Expenses	817,741	756,877
Oper. Income	$ 204,916	$ 55,189
Other Income	17,377	23,626
Total	$ 222,293	$ 78,815
Interest expense	62,699	5,589
Income before taxes	$ 159,594	$ 73,226
Income taxes	21,500	18,200
Minority interest	22,859	16,812
Net Income	$ 115,235	$ 38,214
Extraord. item	—	3,000
Net Income and Extraord. Item	$ 115,235	$ 41,214

* Included in Costs and Expenses, Depreciation and Amortization: $155,152 in 1981 and $143,743 in 1980.

Assets

As of March 31	1981	1980
Cash & securities	$ 416,386	$ 501,739
Receiv., net	845,808	459,958
*Inventories	1,748,523	752,889
Refund inc. taxes	—	2,897
Other assets	29,261	11,578
Current Assets	$ 3,039,978	$ 1,729,061
#Fixed assets	778,028	657,822
Other assets	16,008	17,078
Total Assets	$ 3,834,014	$ 2,403,961

Liabilities

Long-term debt, curr.	$ 73,973	$ 28,953
Accts. payable	634,122	222,598
Accruals	409,430	329,777
Notes payable	600,000	—
Curr. Liabilities	$ 1,717,525	$ 581,328
Long-term debt	251,679	95,918
Minority interest	101,661	78,801
+Common stock	45,942	45,942
Add. paid-in capital	993,137	993,137
Retained earnings	860,697	745,462
Treasury stock	(136,627)	(136,627)
Total Liabilities & Shareholders' Equity	$ 3,834,014	$ 2,403,961

* At lower of average cost or net realizable market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.09	2.29
%Net Income to Sales	2.95	1.19
%Net Income to Equity	6.54	2.32
Sales to Inventories	2.23	4.26
Working Capital	$1,322,453	$1,147,733
Current Ratio	1.77	2.97
Shareholders' Equity	$1,763,149	$1,647,914

Unitrode Corporation

5 Forbes Road
Lexington, Massachusetts 02173
(617) 861-6540

Officers: George M. Berman, chairman of the board, chief executive officer & president; William B. Mitchell, exec. v.p.; James P. Ambrose, v.p.-semiconductors; Gerald C. Bellis, v.p.-conversion products; Howard F. Wasserman, v.p.-marketing; Alan R. Shoolman, v.p.-planning & development; Edward Simon,v.p.-research & engineering; Walter B. Gates, v.p.-finance & treasurer; Robert R. Feier, v.p.-capacitors; Norman Landstrom, secretary.

Directors: George M. Berman, Norman Landstrom, Walter B. Gates, Kenneth Hecht, Peter A. Brooke, Arthur O. Choate, Jr., Arthur L. Goldstein.

Areas of Work: Develops, manufactures, and markets power semiconductors, ceramic capacitors, data conversion devices, and power supplies. Products include rectifiers, diodes, thyristers, zeners, and hybrid circuits.

Subsidiaries:

Powercube Corporation
8 Suburban Park Drive
Billerica, Massachusetts 01821
(617) 862-6400

Unitrode Mexicana S.A. de C.V.
Agua Prieta, Sonora, Mexico

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: UTR

Number of Employees:

1982	2,068	1979	1,363
1981	1,985	1978	1,335
1980	2,009		

Plant Footage:

1982	486,000 sq. ft.	1979	308,300
1981	413,600	1978	299,000
1980	413,600		

Sales and Earnings

	Net Sales	Net Income †
1982	$ 112,408,006	$ 11,233,225
1981	103,601,057	10,401,855
1980	81,608,884	8,270,209
1979	50,587,788	6,922,392
1978	40,144,511	3,498,691

	No. of Com. Shares ‡	Earn. per Share ‡ †
1982	5,820,433	$ 1.93
1981	6,180,868	1.68
1980	6,077,542	1.36
1979	5,226,388	1.33
1978	5,219,274	0.67

† Including extraordinary gains of $87,000 ($0.03 per share) in 1981 and $1,710,059 ($0.65 per share) in 1979.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1982	1981	1980	1979
Semiconductors	63%	68%	74%	83%
Capacitors	16	11	9	8
Data conversion devices	17	16	11	—
Power circuit modules	4	5	6	9
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1982	$0.25	—	2-for-1
1981	0.25	—	—
1980	0.25	—	—
1979	0.075	—	—
1978	0.05	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1982	$ 57,761,658	$ 9.92
1981	45,832,219	7.42
1980	49,842,124	8.20
1979	32,063,885	6.13
1978	25,713,388	4.93

† Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 112,408,006	$ 103,601,057
Cost of sales	60,323,467	56,407,359
Res. & develop. costs	5,391,957	3,105,392
Expenses	27,145,797	25,537,329
Interest income	758,384	339,497
Interest expense	1,224,944	745,619
Income before taxes	$ 19,080,225	$ 18,144,855
Income taxes	7,847,000	7,830,000
Net Income	$ 11,233,225	$ 10,314,855
Extraord. gain	—	87,000
Net Income & extraord. gain	$ 11,233,225	$ 10,401,855

* Included in Costs and Expenses, Depreciation and Amortization: $5,320,975 in 1982 and $4,389,755 in 1981.

Assets

As of Jan. 31	1981	1981
Cash	$ 1,467,319	$ 2,021,532
Marketable securities	3,917,335	949,168
Accts. & notes receiv., net	18,744,596	17,285,537
*Inventories	21,677,033	20,459,447
Prepaid expenses	545,036	411,286
Current Assets	$ 46,351,319	$ 41,126,970
#Fixed assets	37,496,987	26,350,250
Intangibles	3,205,151	3,293,982
Other assets	8,132,877	2,714,774
Total Assets	$ 95,186,334	$ 73,485,976

Liabilities

Long-term debt, curr.	$ 200,000	$ 8,200,000
Accts. payable	9,248,175	4,784,915
Accrued payroll	4,779,699	3,687,431
Other accruals	2,944,289	2,318,394
Income taxes	3,196,533	1,854,792
Curr. Liablities	$ 20,368,696	$ 20,845,732
Bonds payable	14,348,955	4,950,000
Deferred inc. taxes	2,707,025	1,858,025
+Common stock	1,254,710	627,355
Add. paid-in capital	16,765,889	18,204,524
Retained earnings	53,330,808	43,522,174
Treasury stock	(10,639,942)	(12,616,959)
Deferred compens.	2,949,807	(3,904,875)
Total Liabilities & Shareholders' Equity	$ 95,186,334	$ 73,485,976

* At current average cost but not in excess of net realizable value.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.97	17.51
%Net Income to Sales	9.99	9.96
%Net Income to Equity	19.45	22.51
Sales to Inventories	5.19	5.06
Working Capital	$25,982,623	$20,281,238
Current Ratio	2.28	1.97
Shareholders' Equity	$57,761,658	$45,832,219

Universal Security Instruments, Inc.

10324 South Dolfield Road
Owings Mills,Maryland 21117
(301) 363-3000

Officers: Stephen Knepper, chairman; Michael Kovens, president; Amedee Dean, v.p.-manufacuring; Sanford Olshansky, v.p.-marketing; Stuart Rose, v.p.-int'l. sales; Irvin Kovens, secretary-treasurer; Romon J. Hacker, asst. treasurer.

Directors: Stephen Knepper, chairman; Michael Kovens, Irvin Kovens, Zelig Robinson.

Areas of Work: Designs, manufactures and markets burglar, and fire alarm systems and other consumer electronic products.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland 21201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: USEC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1980	$ 7,856,217	$ (267,358)
1979	6,443,556	(1,094,736)
1978	11,948,146	618,789
1977	11,278,576	1,397,711
1976	5,662,325	531,306

	No. of Com. Shares ‡	Earn. per Share ‡
1980	1,577,155	$ —
1979	1,577,155	—
1978	1,577,075	0.39
1977	1,479,564	0.94
1976	1,272,865	0.42

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1980	$ —	—	—
1979	0.05	—	—
1978	0.20	5%	—
1977	0.12	5%	—
1976	0.10	—	2-for-1†

‡ Adjusted to reflect stock dividends and stock split.
† In the form of a 100% stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1980	$ 5,159,633	$3.27
1979	5,426,991	3.44
1978	6,600,584	4.19
1977	6,290,598	4.25
1976	2,885,119	2.27

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended March 31	1980	1979
Net sales	$ 7,856,217	$ 6,443,556
Cost of sales	6,355,721	6,090,783
Expenses	2,191,757	1,682,557
Oper. profit (loss)	$ (691,261)	$ (1,329,784)
Other expense (income)	(132,468)	865,889
Loss before taxes	$ (558,793)	$ (2,195,673)
Tax credit	(291,435)	(1,100,937)
Net Loss	$ (267,358)	$ (1,094,736)

* Included in Costs and Expenses, Depreciation and Amortization: $125,490 in 1980 and $133,939 in 1979.

Assets

As of March 31	1980	1979
Cash	$ 50,737	$ 39,675
Cert. of deposit	386,310	1,984,504
Treasury bills	293,120	—
Accts. receiv., net	1,699,833	779,048
Refundable income taxes	344,513	1,109,056
* Inventories	2,954,989	1,806,063
Prepaid expenses	98,805	50,197
Inv. to be disposed of	31,085	55,652
Deferred inc. taxes	—	10,423
Current Assets	$ 5,859,392	$ 5,834,618
# Fixed assets	1,426,747	1,248,245
Other assets & defer. charges	50,018	40,907
Total Assets	$ 7,336,157	$ 7,123,770

Liabilities

Oblig. under cap. lease, curr.	$ 36,176	$ 33,077
Accts. payable	1,098,745	620,372
Accruals	156,575	135,843
Income taxes	14,454	23,270
Deferred income taxes	6,646	—
Curr. Liabilities	$ 1,312,596	$ 812,562
Long-term oblig. under cap. lease	800,620	835,064
Deferred inc. taxes	63,308	49,153
+ Common stock	15,771	15,771
Add. paid-in capital	5,066,279	5,066,279
Retained earnings	77,583	344,941
Total Liabilities & Shareholders' Equity	$ 7,336,157	$ 7,123,770

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.66	3.57
Working Capital	$ 4,546,796	$ 5,022,056
Current Ratio	4.46	7.18
Shareholders' Equity	$ 5,159,633	$ 5,426,991

Universal Telephone, Inc.

231 West Wisconsin Avenue
Milwaukee, Wisconsin 53203
(414) 278-7000

Officers: Ray H. Dittmore, chairman of the board & president; J. Kenneth Baird, sr. v.p. secretary & general counsel; Richard P. Aumann, treasurer; Daniel Shadd, asst. secretary; William P. Dollard, asst. v.p.-finance.

Universal Telephone, Inc.

Directors: J. Kenneth Baird, Frank J. Burke, Ray H. Dittmore, A. Earle Harris, Alvin E. O'Konski, Robert D. Sarver, Daniel Shadd, Adam E. Wolf.

Areas of Work: Owns and operates independent telephone companies in Wisconsin. New Mexico, Arizona, Colorado, and Oklahoma, serving 58,112 telephones as of December 31, 1981. Also engaged in custom electronic manufacturing including electromechanical band pass filters used in communication equipment, bathythermograph instruments used in underwater thermal recording and charting for submarine and geophysical applications; electronic laboratory equipment including phase meters, time and phase detectors, phase standards, dynamic analysis equipment and delay lines. Other subsidiaries are involved in water and sewer operations in the Orlando, Florida area.

Subsidiaries:

Dittmore-Freimuth Corp.
Milwaukee, Wisconsin

Teletronics Communication Services, Inc.
Milwaukee, Wisconsin

Southern States Utilities, Inc.
Orlando, Florida

Badger Telephone Co., Inc.
Webster, Wisconsin

Chippewa County Telephone, Inc.
Jim Falls, Wisconsin

Cream Valley Telephone Company
Hawkins, Wisconsin

Frederic Telephone Company
Frederic, Wisconsin

Forestville Telephone Company, Inc.
Forestville, Wisconsin

The Hammond Telephone Company
Hammond, Wisconsin

Lakeland Telephone Co., Inc.
Minong, Wisconsin

Larsen-Readfield Telephone Company
Winchester, Wisconsin

Mid-America Telephone Inc.
Stonewall, Oklahoma

Monroe County Telephone Company
Sparta, Wisconsin

Ogema Telephone Company
Ogema, Wisconsin

Osceola Telephone Company
Osceola, Wisconsin

Poplar Telephone Company, Inc.
Poplar, Wisconsin

Solon Springs Telephone Co.
Solon Springs, Wisconsin

Universal Telephone Company of Colorado
Pagosa Springs, Colorado

Universal Telephone Company of Northern Wisconsin. Inc.
Manitowish Waters, Wisconsin

Universal Telephone Company of Southwest
Zuni, New Mexico

Transfer Agent(s):

First Bank N.A.
Milwaukee, Wisconsin

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UNTL and UNTL A (NASDAQ)

Number of Employees:

1981	420	1978	368
1980	401	1977	358
1979	398		

Sales and Earnings

	Revenues	Net Income #
1981	$ 22,012,171	$ 1,226,475
1980	18,059,278	658,688
1979	15,141,247	720,619
1978	13,243,044	485,610
1977	11,513,849	363,687

	No. of Com. Shares +	Earn. per Share # +
1981	1,140,603	$ 0.80
1980	1,140,603	0.31
1979	1,140,603	0.36
1978	1,140,603	0.15
1977	1,140,603	0.05

# Including extraordinary gains of $278,415 ($0.24 per share) in 1979, $232,000 ($0.15 per share) in 1978, $148,000 ($0.13 per share in 1977.

+ Based on the average number of common and Class A Special Stock outstanding.

Revenues By Line of Business

	1981	1980
Telephone	$ 16,573,996	$ 14,048,006
Water-sewer	1,545,489	985,474
Manufacturing	3,892,686	3,025,798
Total	$ 22,012,171	$ 18,059,278

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1981	$ 5,223,663	$ 4.58
1980	4,306,905	3.78
1979	3,957,934	3.47
1978	3,547,032	3.11
1977	3,714,129	3.26

‡ After allowing for preferred stock Series A and Special Stock, Series AA, BB, CC, DD at liquidation values.

+ Based on the average number of common and Class A Special Stock outstanding.

Income Account

Year ended Dec. 31	1981	1980
Utility Operations:		
Oper. revenues	$ 18,119,485	$ 15,033,480
Expenses	9,426,992	8,000,870
Depreciation & amortization	3,201,737	2,987,151
Interest expense	1,690,915	1,433,014
Utility Income	$ 3,799,841	$ 2,612,445
Manufacturing Oper:		
Net sales	3,892,686	3,025,798
Cost of sales	3,224,617	2,560,505
Depreciation & amortization	97,084	100,318
Interest expense	60,037	78,896
Manufacturing Income	$ 510,948	$ 286,079
Parent Company Expenses	(2,076,524)	(1,720,178)
Income bef. taxes	$ 2,234,265	$ 1,178,346
Income taxes	1,007,790	519,658
Net Income	$ 1,226,475	$ 658,688

Assets

As of Dec. 31	1981	1980
Cash	$ 3,283,855	$ 2,029,963
Receiv. net	2,919,060	2,381,699
*Inventories	1,394,010	1,225,061
Prepaid expenses	241,958	169,124
Current Assets	$ 7,838,883	$ 5,805,847
Investments	4,788,216	4,547,763
#Fixed assets	53,494,368	43,448,944
Defer. charges	905,586	899,662
Total Assets	$ 67,027,053	$ 54,702,216

Liabilities

Notes payable	$ 3,723,770	$ 2,868,956
Long-term debt. curr.	1,228,366	1,490,547
Accts. payable	3,696,288	2,376,001
Accruals	1,100,354	863,435
Dividends payable	74,426	74,426
Inc. taxes payable	48,863	70,014
Curr. Liabilities	$ 9,872,067	$ 7,743,379
Long-term debt	44,673,218	38,210,468
Other liabilities	2,608,497	616,154
Deferred credits	2,185,018	1,360,720
+Preferred stock	200,200	200,200
+ +Special stock	635,676	635,676
+ + +Common stock	648,178	648,178
Add paid-in capital	9,064,238	9,064,238
Retained earnings (deficit)	(2,860,039)	(3,776,797)
Total Liabilities & Shareholders' Equity	$ 67,027,053	$ 54,702,216

* Utility material and supply inventories at average cost, manufacturing inventories at lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $20 par value. Series A $1.20 cumulative convertible.

+ + $1 par value.

+ + + $1 par value.

Statistical Summary

% Net Income to Equity	15.95	9.73
Shareholders' Equity	$7,688,253	$6,771,495

Universal Voltronics Corp.

27 Radio Circle Drive
Mount Kisco, New York 10549
(914) 241-1300

Officers: Lewis Cohen, chairman of the board & chief executive officer; Barry Ressler, president & chief operating officer; Julian M. Polis, exec. v.p. & technical director; Gilbert Goldman, v.p. & treasurer; Leo Irvings, v.p. - finance & secretary; Frank X. Samperi, v.p. - manufacturing; Donna Tufaro, asst. secretary.

Directors: Lewis Cohen, chairman; Barry Ressler, Julian M. Polis, Gilbert Goldman, Leo Irvings, Mike McCormack, Milton Gold.

Business Activities: Designs, manufactures and markets high voltage power supply systems. These systems are used in fusion energy research, medical imaging systems, lasers, testing and conditioning of microwave tubes, semi-conductor manufacture, and the testing of power distribution equipment.

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, N.Y. 10041

Stock Exchange(s): UVOL (NASDAQ)

Number of Stores: (at fiscal year end)

1981	280	1980	239

Plant Footage:

1981 . . . . . . 96,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1981	$ 13,207,674	$ 623,621
1980	8,120,060	(42,243)
1979	5,992,342	(99,644)
1978	7,203,568	103,235
1977	7,848,739	659,983

	No. of Com. Shares #	Earn. per Share #
1981	2,001,680	$ 0.31
1980	1,864,288	—
1979	1,864,288	—
1978	1,966,678	0.05
1977	1,966,276	0.33

(Loss)

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Fusion energy research	$ 8,092,000	$ 2,681,000
Medical imaging	2,200,000	2,691,000
Other	2,915,000	2,748,000
Total	$ 13,207,000	$ 8,120,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1981	$ 2,647,322	$ 1.32
1980	1,995,671	1.07
1979	2,019,241	1.08
1978	2,118,885	1.08
1977	2,009,150	1.02

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 13,207,674	$ 8,120,060
Cost of sales	9,909,987	6,296,284
Expenses	1,913,138	1,585,814
Interest expense	373,928	337,805
Inc. (loss) before taxes	$ 1,010,621	$ (99,843)
Income taxes (credit)	387,000	(57,600)
Net Income (Loss)	$ 623,621	$ (42,243)

* Included in Costs and Expenses, Depreciation: $152,190 in 1981 and $104,958 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 182,178	$ 19,676
Accts, receiv., net	2,119,525	1,592,647
Costs in exc. of billings	236,870	295,137
Refundable taxes	—	213,497
* Inventories	3,719,754	3,108,064
Other curr. assets	84,016	84,114
Current Assets	$ 6,342,343	$ 5,313,135
# Fixed assets	1,800,135	1,252,985
Other assets	121,544	29,991
Total Assets	$ 8,264,022	$ 6,596,111

Liabilities

	1981	1980
Notes payable	$ 300,000	$ 300,000
Long-term debt, curr.	308,004	252,223
Accts. payable	1,534,444	1,225,456
Accruals	559,554	428,799
Deferred inc. taxes	685,333	312,096
Billings in exc. of costs on uncomp. contracts	467,298	64,183
Curr. Liabilities	$ 3,854,633	$ 2,582,757
Long-term debt	1,641,675	1,928,305
Deferred income	80,099	80,099
Deferred inc. taxes	40,293	9,279
+ Common stock	95,076	94,658
Add. paid-in capital	491,249	463,637
Retained earnings	2,064,301	1,440,680
Treasury stock	(3,304)	(3,304)
Total Liabilities & Shareholders Equity	$ 8,264,022	$ 6,596,111

At lower of cost (average) or market.

# Less accumulated depreciation.

+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.65	—
%Net Income to Sales	4.72	—
%Net Income to Equity	23.56	—
Sales to Inventories	3.55	2.61
Working Capital	$2,487,710	$2,730,378
Current Ratio	1.65	2.06
Shareholders' Equity	$2,647,322	$1,995,671

UNR Industries, Inc.

(formerly Unarco Industries, Inc.)
332 South Michigan Avenue
Chicago, Illinois 60604
(312) 341-1234

Officers: David S. Leavitt, president & chief executive officer; Edwin E. Hokin, chairman of the board; Victor A. Lennon, v.p. & asst. to the president; Robert A. Hoagland, Jr., Sam Silverstein, v.p.'s; Robert J. Penn, v.p.-finance; Louis B. Guthmann, Jr., v.p., director of purchasing; David F. Starling, treasurer; Robert N. Grant, secretary; William C. McLaughlin, asst. secretary.

Directors: Edwin E. Hokin, chairman; James W. Alsdorf, Frank E. Bauder, Martin H. Dubilier, Edward W. Duffy, John P. Gallagher, Robert D. Judson, David S. Leavitt, Charles W. Lubin, Dwight Rohn, Sam Silverstein.

Areas of Work: Produces self-contained mobile units for on-site televising of special events. Manufactures towers for broadcasting and microwave systems for voice and data transmission. Also produces stainless steel sinks, outdoor grills, roller skates, outdoor furniture, accessories for industrial railroads, shopping carts and industrial shelving systems.

Subsidiaries:

Midwest Corporation
Box 271
Charleston, West Virginia 25321
(304) 343-8874

Unarco-Rohn, Inc.

Telescart, Ltd.

UNR International, Inc.

Unarco Realty, Inc.

Midwest Steel Corporation

Midwest Telecommunications Corporation

Dart, Inc.

National Plastics, Inc.

Midwest Texas Corporation

Midwest International Corporation

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York

Ticker Symbol: UNR

Sales and Earnings

	Net Sales †	Net Income	No. of Com. Shares	Earn. per Share ‡
1981	$ 346,369,111	$ 5,996,993	3,687,378	$ 1.63
1980	313,299,588	(4,420,763)	3,687,378	—
1979	329,807,959	7,392,916	3,687,378	2.07
1978	273,100,674	8,116,873	3,668,253	2.24
1977	183,152,689	3,626,586	3,216,471	1.75

(Loss)

‡ Based on the average number of common shares outstanding.

† Of continuing operations only.

Revenues By Line of Business
(000's)

	1981	1980
Industrial	$ 158,742	$ 127,882
Commercial	34,415	40,233
Consumer	49,138	46,798
Communications	64,566	59,401
Transportation	39,508	38,986
Total	$ 346,369	$ 313,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.165	—	—
1980	0.825	—	—
1979	0.85	—	—
1978	0.76	—	—
1977	0.675	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 67,153,449	$ 18.21
1980	61,764,899	16.75
1979	69,227,856	18.77
1978	64,562,245	17.60
1977	53,631,854	16.67

Income Account *

Year Ended Dec. 31	1981	1980
Net sales	$ 346,369,111	$ 313,299,588
Cost of sales	293,412,939	256,023,825
Expenses	51,108,460	53,467,993
Interest expenses	13,492,617	12,851,361
(Loss) before taxes	$ (11,644,905)	$ (9,043,591)
Income taxes (credit)	(7,656,000)	(4,277,000)
Loss-cont. oper.	$ 3,988,905	$ (4,766,591)
Net Income-discont. oper.	259,640	345,828
Gain from sale	9,726,258	—
Net Income (Loss)	$ 5,996,993	$ (4,420,763)

* Included in Costs and Expenses, Depreciation and Amortization: $6,666,344 in 1981 and $6,440,334 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 3,039,647	$ 3,741,304
Accts. & notes receiv., net	53,617,753	53,407,657
Income tax refund	4,524,305	3,960,039
* Inventories	109,823,578	95,615,443
Prepaid expenses	4,075,164	3,125,979
Current Assets	$ 175,080,447	$ 159,850,422
# Fixed assets	51,054,418	50,566,570
Other assets	6,490,867	6,782,030
Total Assets	$ 232,625,732	$ 217,199,022

Liabilities

	1981	1980
Notes payable	$ 83,380,000	$ 18,402,451
Long-term debt, curr.	1,157,944	4,675,247
Accts. payable	44,178,796	54,774,225
Accrued expenses	17,189,889	17,245,201

Curr. Liabilities	$ 145,906,629	$ 95,097,124
Long-term debt	12,415,654	52,486,999
Other long-term liabilities	4,000,000	6,500,000
Deferred inc. taxes	3,150,000	1,350,000
+ Common stock	9,252,428	9,252,428
Add. paid-in capital	12,464,083	12,464,083
Retained earnings	45,506,035	40,117,485
Treasury stock	(69,097)	(69,097)
Total Liabilities & Shareholders' Equity	$ 232,625,732	$ 217,199,022

* Principally at LIFO.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Net Income to Sales	1.73	—
%Net Income to Equity	8.93	—
Sales to Inventories	3.15	3.31
Working Capital	$29,173,818	$64,753,298
Current Ratio	1.20	1.68
Shareholders' Equity	$67,153,449	$61,764,899

U.S. Components, Inc.

35 Carlough Road
Bohemia, New York 11716
(516) 589-8080

Officers: Boris A. Jackson, chairman, president and treasurer; Stepan Nalbantian, vice president; Henry Nalbantian, secretary.

Directors: Boris A. Jackson, chairman; Stepan Nalbantian, Paul Hancock, Joseph Picone, Joseph B. Lamberta.

Areas of Work: Engages primarily in the manufacture of electronic connectors, which are applied in such fields as missiles, satellites, computers, teaching machines, medical electronics, airline jets, car radios, public address systems.

Subsidiaries:

USC Products, Inc.
Bohemia, New York
Produces precision formed metallic stamplings and assemblies.

Transfer Agent(s):

Registrar and Transfer Co.
140 Cedar Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981 75

Plant Footage:

1981 . . . . . . 30,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,232,887	$ 152,682
1980	2,639,112	173,351
1979	2,154,407	30,588
1978	1,725,033	(145,671)
1977	2,269,178	72,763

	No. of Com. Shares	Earn per Share
1981	300,000	$ 0.508
1980	294,087	0.577
1979	249,087	0.104
1978	296,567	—
1977	296,567	0.245

(Loss)

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,001,427	$ 3.34
1980	842,832	2.87
1979	669,481	2.28
1978	640,668	2.16
1977	786,338	2.65

Income Account *

Year ended April 30	1981	1980
Net sales	$ 3,232,887	$ 2,639,112
Cost of sales	2,133,412	1,693,944
Expenses	840,894	765,546
Oper. profit	$ 258,581	$ 179,622
Other income	42	3,048
Income before taxes	$ 258,623	$ 182,670
Income taxes	105,941	61,165
Inc.-cont.oper.	$ 152,682	$ 121,505
Inc.(loss)-dis. oper.	—	51,846
Net Income	$ 152,682	$ 173,351

* Included in Costs and Expenses Depreciation and Amortization: $68,691 in 1980 and $81,494 in 1979.

Assets

As of April 30	1981	1980
Cash	$ 107,200	$ 99,907
Accts. receiv. net	457,341	405,085
*Inventories	469,635	438,726
Prepaid expenses	10,951	12,717
Current Assets	$ 1,045,127	$ 956,435
#Fixed assets	1,005,378	1,037,451
Other assets	314,159	241,162
Total Assets	$ 2,364,664	$ 2,235,048

Liabilities

Notes payable	$ —	$ 125,000
Long-term debt. curr.	30,679	29,818
Acct. payable	223,319	180,323
Accruals	164,359	151,584
Curr. Liabilities	$ 468,571	$ 486,725
Long-term debt	578,277	608,887
Deferred income	316,389	296,604
+Common stock	30,000	30,000
Add paid-in capital	293,442	288,120
Retained earnings	677,985	525,303
Treasury stock	—	(591)
Total Liabilities & Shareholders' Equity	$ 2,364,664	$ 2,235,048

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	15.25	20.57
Sales to Inventories	6.88	6.027
Working Capital	$ 576,556	$469,710
Current Ratio	2.23	1.97
Shareholders' Equity	$1,001,427	$842,832

UTL Corporation

4500 West Mockingbird Lane
Dallas, Texas 75209
(214) 350-7601

Officers: C.C. Lee, president & chief exec. officer; Paul Spero, sr. v.p.-operations; Shing Mao, v.p.-engineering; R.H. Lichtenstein, v.p.-administration; Bob W. Maupin, sr. v.p.-advanced development; John Benson, secretary & treasurer.

Directors: Jay R. Harris, Van A. Davidson, C.C. Lee, Robert McCulloch, H.L. Simpson.

Areas of Work: Engaged in the design, development and manufacture of electronic systems and subsystems which are used by the United States and Foreign military services in reconnaissance, surveillance and electronic countermeasure activities.

Transfer Agent(s):

Texas American Bank
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTLC (NASDAQ)

Number of Employees:

1981	245	1978	250
1980	236	1977	260
1979	228		

Plant Footage:

1981	91,250 sq. ft.	1978	72,000
1980	90,000	1977	72,000
1979	75,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 16,341,542	$ 1,311,233
1980	16,660,776	912,923
1979	8,880,587	(810,751)
1978	10,338,249	330,745
1977	11,779,638	238,759

	No. of Com. Shares +	Earn. per Share ‡+
1981	1,781,423	$ 0.72
1980	1,747,717	0.51
1979	1,683,393	—
1978	1,694,226	0.19
1977	1,681,828	0.14

(Loss)
‡ Including extraordinary credits of $528,000 ($0.30 per share) in 1981, $385,000 ($0.22 per share) in 1980. $161,000 ($0.10 per share) in 1978, and $100,000 ($0.06 per share) in 1977.
+ Based on the weighted average number of common share and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 4,093,884	$ 2.30
1980	2,678,131‡	1.53
1979	1,582,704‡	0.94
1978	2,277,439‡	1.34
1977	1,847,316	1.10

+ Based on the weighted average number of common shares and common share equivalents outstanding.
‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended June 30	1981	1980
Revenues	$ 16,341,542	$ 16,660,776
Contract costs	13,108,725	14,098,344
Expenses	1,659,392	1,602,969
Interest income	(13,875)	(103,570)
Interest expense	282,211	221,931
Other income	(6,144)	(71,821)
Income before taxes	$ 1,311,233	$ 912,923
Income taxes	528,000	385,000
Net Income	$ 783,233	$ 527,923
Extraordinary gain	528,000	385,000
Net Income & extraord. gain	$ 1,311,233	$ 912,923

* Included in Costs and Expenses, Depreciation and Amortization: $234,849 in 1981 and $258,344 in 1980.

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Assets

As of June 30	1981	1980
Cash	$ 131,109	$ 102,114
Cert. of deposit	—	1,164,239
Receiv., net	2,570,768	1,899,114
Unbilled costs	3,365,397	1,480,539
Prepaid expenses	166,513	209,093
Current Assets	$ 6,233,787	$ 4,855,099
Investments & adv.	411,923	394,932
#Fixed assets	2,223,840	2,028,373
Other assets & defer. charges	31,857	35,262
Total Assets	$ 8,901,407	$ 7,313,666

Liabilities

Notes payable	$ 750,000	$ —
Long-term debt, curr.	280,852	376,684
Accts. payable	1,492,708	1,782,387
Cust. advances	154,045	640,295
Accruals	825,952	389,894
Curr. Liabilities	$ 3,503,557	$ 3,189,260
Long-term debt	1,053,966	1,196,275
+ Preferred stock	250,000	250,000
+ + Common stock	868,364	849,176
Add. paid-in capital	4,430,977	4,321,645
Deficit	(1,194,207)	(2,481,440)
Treasury stock	(11,250)	(11,250)
Total Liabilities & Shareholders' Equity	$ 8,901,407	$ 7,313,666

# Less accumulated depreciation and amortization.
+ No par value; $1.25 stated value, 5.6% cumulative.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.02	5.48
%Net Income to Revenues	4.79	3.17
%Net Income to Equity	18.03	18.03
Working Capital	$2,730,230	$1,665,839
Current Ratio	1.78	1.52
Shareholders' Equity	$4,343,884	$2,928,131

Vacco Industries

10350 Vacco Street
South El Monte, California 91733
(213) 443-7121

Officers: George Kay, chairman of the board, president, chief exec. officer & chief financial officer; Z. Harry Astor, vice chairman, sr. v.p. & legal counsel; William K. Tolley, sr. v.p. & secretary; Robert McCredie, v.p.

Directors: George Kay, chairman, Z. Harry Astor, vice chairman, William K. Tolley, Leland G. Cole, Sol Hofstadter, Henry Kunkel.

Areas of Work: Develops and manufactures quiet fluid flow components for nuclear submarines; propietary valve and filter configurations; chemically etched components for the electronics/computer industry; Etched Disc Bank flushable Filter for use in nuclear power plants.

Transfer Agent(s):
First Interstate Bank
Los Angeles, California 90054

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income †
1981	$ 10,264,874	$ 644,778
1980	8,370,517	543,828
1979	6,530,923	380,463

	No. of Com. Shares #	Earn. per Share †#
1981	944,263	$ 0.68
1980	974,800	0.56
1979	1,011,467	0.39
1978	1,014,633	0.54
1977	1,014,400	0.30

† Including extraordinary gains of $80,769 ($0.08 per share) in 1981, $254,831 ($0.25 per share) in 1978 and $143,823 ($0.14 per share) in 1977.
#Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	—	—
1977	—	—	1-for-10

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 2,378,909	$ 2.52
1980	2,173,859	2.23
1979	1,630,031	1.61
1978	1,359,568	1.34
1977	811,687	0.80

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended April 30	1980	1979
Net sales	$ 10,264,874	$ 8,370,517
Cost of sales	6,230,861	5,481,515
Expenses	2,745,822	1,975,937
Interest expense	29,015	67,353
Income before taxes	$ 1,259,176	$ 845,712
Income taxes	614,398	301,884
Net Income	$ 644,778	$ 543,828

* Included in Costs and Expenses, Depreciation and Amortization: $244,187 in 1981 and $181,851 in 1980.

Assets

As of April 30	1980	1979
Cash	$ 314,255	$ 1,006,304
Accts. receiv., net	2,460,312	2,003,953
Costs in exec. of billings	765,300	220,918
*Inventories	581,338	598,824
Prepaid expenses	119,432	126,864
Current Assets	$ 4,240,637	$ 3,956,863
#Fixed assets	2,588,080	1,448,686
Other assets	65,820	82,066
Total Assets	$ 6,894,537	$ 5,487,615

Liabilities

Notes payable	$ 36,279	$ 52,633
Long-term debt, curr.	314,493	207,764
Accts. payable	814,457	550,108
Accruals	502,887	443,154
Adv. billings	1,697,519	992,459
Inc. taxes	255,000	255,122
Curr. Liabilities	$ 3,620,635	$ 2,501,240
Long-term debt	834,993	806,416
Deferred inc. taxes	60,000	6,100
+ Common stock	580,664	683,428
Add. paid-in capital	184,280	521,244
Retained earnings	1,613,965	969,187
Total Liabilities & Shareholders' Equity	$ 6,894,537	$ 5,487,615

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
1+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	12.27	10.10
%Net Income to Sales	6.28	6.50
%Net Income to Equity	27.10	25.02
Sales to Inventories	17.66	13.98
Working Capital	$ 620,002	$1,455,623
Current Ratio	1.17	1.58
Shareholders' Equity	$2,378,909	$2,173,859

Varian Associates, Inc.

611 Hansen Way
Palo Alto, California 94303
(415) 493-4000

Officers: Edward L. Gintzon, chairman of the board; Thomas D. Sege, president & chief executive officer; Larry L. Hansen, executive v.p.; George W. O'Dair, executive v.p.; Edward J. Barlow, v.p.-research & development; John J. Cooper, v.p., general counsel & secretary; Ralph W. Kane, v.p.-International development & Western Hemisphere Operations; Allen J. Lauer, v.p. & president-Instrument Group; Donald R. MacBlane, v.p. & controller; Theodore Moreno, v.p.-corporate; Donald A. Rutledge, v.p.-administration; Elmo Sanders, v.p.-personnel; Calvin A. Tabor, treasurer.

Directors: Edward L. Gintzon*, chairman; Thomas D. Sege, George W. O'Dair, Kenneth J. Arrow, Robert L. Chambers*, Clifford V. Heimbucher, C. Lester Hogan, Edwin E. Huddleson Jr., William F. Miller*, Emiel T. Nielsen, Jr.*, Kenneth Oshman, Joseph M. Pettit, Burt F. Raynes, H. Myrl Stearns*, David D. Ulmer.

* Member of the Executive Committee.

Areas of Work: Manufactures microwave, power and specialty tubes, solid-state power supplies, semiconductor equipment, gas and liquid chromatographs, vacuum pumps and systems, medical and industrial linear accelerators, data systems; pulse transformers and leak detectors.

Divisions and Subsidiaries:

Electron Device Group

Palo Alto Microwave Tube Division
Palo Alto, California
(415) 493-4000
Microwave tubes including klystrons, magnetrons, TWT's, TWT amplifiers and power supplies; power grid tubes; X-ray tubes; solid state amplifiers and oscillators; high power transistors; microwave subsystems, satellite communications transmitters.

Varian LSE Division
Palo Alto, California
(415) 493-4000
X-ray imaging tubes, night vision devices, photomultipliers, and microchannelplates.

Eimac Division
San Carlos, California
Salt Lake City, Utah
(415) 592-1211
Power grid tubes, ceramic/metal products, high intensity light sources, X-ray tubes.

Solid State Microwave Division
3251 Olcott
Santa Clara, California
(408) 988-1331
Palo Alto, California 94303
(415) 493-4000
Solid state oscillators and amplifiers, YIG-tuned devices, microwave semiconductors.

Microwave Components & Subsystems Division
317 Brokaw Road
Santa Clara, California 95050
(408) 985-1300
Power amplifiers and power supplies, microwave components.

Varian Associates, Inc.

Beverly Division
Beverly, Massachusetts
(617) 922-6000
Magnetrons, cross-field amplifiers, modulators, solid state, microwave components, radar subsystems, receiver protectors.

Semicon Associates
P.O. Box 832
Lexington, Kentucky 40501
(606) 255-2446
Dispenser cathodes.

Communications Transistors Corp.
San Carlos, California
(415) 591-8921
High power, rf & microwave transistors.

EMI-Varian Ltd. (affiliate)
Hayes, England
Microwave tubes.

Instrument Group

Palo Alto Instrument Division
Palo Alto, California
(415) 493-4000
NMR and EPR spectrometers, UV/VIS spectrometers and UV-Vis spectrophotometers.

Walnut Creek Instrument Division
2700 Mitchell Drive
Walnut Creek, California 94587
(415) 939-2400
Gas and liquid chromatographs, data systems.

Varian Techtron Pty. Ltd.
Melbourne, Australia
Atomic absorption spectrophotometers; UV/VIS spectrophotometers.

Medical Group

Radiation Division
Palo Alto, California
(415) 493-4000
Medical and radiographic linear accelerators.

International Group

Electrical Components Operations
Pulse Engineering
San Diego & Santa Clara, California;
Tijuana, Mexico; Tuam, Ireland
(714) 279-5900
Pulse transformers, delay lines, switching magnetics.

The Potter Company
942 Highway 51
Wesson, Mississippi 39191

(609) 643-2216
EMI/RFI filters; film capacitors.

International Group

Varian Canada, Inc.
Georgetown, Ontario, Canada
Reflex and millimeter wave klystrons, TWT's and magnetometers.

ANELVA Corporation (affiliate)
Tokyo, Japan
Produces vacuum products.

Semiconductor Equipment Group

Extrion Division
Blackburn Industrial Park
P.O. Box 1226
Gloucester, Massachusetts 01930
(617) 281-2000
Ion implantation equipment, electron beam lithography equipment, annealers, predeposition equipment.

Thin Film Technology Division
Palo, Alto, California
(415) 493-4000
Sputtering and coating systems.

Industrial Products Operations

Industrial Components Division
3100 Jay Street
Santa Clara, California 95051
(408) 727-0590
Vacuum pumps and accessories.

Industrial Coating
7960 Kentucky Drive
Florence, Kentucky 41042
(606) 525-2900
Industrial Coaters.

Lexington Vacuum Division
121 Hartwell Avenue
Lexington, Massachusetts
(617) 861-7200
Leak detectors, vacuum pumps and gauges.

Specialty Metals Division
3515 Grove City Road
Grove City, Ohio 43123
(614) 875-7912
Materials used in thin film coating systems.

Industrial Products Operations, Europe

Varian SpA
Via Varian
I-10040 Leini
Torino, Italy
Semiconductor processing and testing.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific

Ticker Symbol: VAR

Number of Employees:

1981	13,000	1978	11,400
1980	14,000	1977	10,200
1979	12,900		

Plant Footage:

1981	3,600,000 sq.ft.	1978	3,100,000
1980	3,749,000	1977	3,100,000
1979	3,100,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$ 638,400,000	$ (3,600,000)
1980	554,300,000	22,100,000
1979	433,100,000	8,600,000
1978	346,900,000	12,100,000
1977	305,400,000	12,400,000

	No. of Com. Shares	Earn. per Share #
1981	8,003,000	$ —
1980	7,807,000	2.77
1979	7,607,000	1.15
1978	7,359,000	1.62
1977	7,474,000	1.64

+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Electron tubes	$ 277,000	$ 231,000
Analytical instruments	138,000	131,000
Industrial equipment	143,000	135,000
Medical equipment	50,000	41,000
Other	26,000	22,000
Adjust. & eliminations	4,000	(6,000)
Total	$ 638,000	$ 554,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.52	—	—
1980	0.49	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 192,100,000	$ 24.00
1980	195,200,000	25.00
1979	173,100,000	22.75
1978	163,800,000	22.26
1977	159,600,000	20.96

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 638,357	$ 554,286
Cost of sales	451,431	361,597
Expenses	168,868	145,757
Interest expense	20,386	14,701
Interest income	(1,258)	(1,543,
Income (loss) before taxes	$ (1,070)	$ 33,774
Income taxes (credit)	(3,240)	12,165
Income from cont. oper.	$ 2,170	$ 21,609
Income (loss) from discont. operations	(5,724)	498
Net Income (Loss)	$ (3,554)	$ 22,107

* Included in Costs and Expenses, Depreciation: $12,358,000 in 1981 and $9,569,000 in 1980.

Assets
(000's)

As of Sept. 30	1981	1980
Cash & short-term invest.	$ 11,795	$ 8,647
Accts. receiv., net	146,913	141,837
*Inventories	162,043	216,700
Other	41,975	26,619
Current Assets	$ 362,726	$ 393,803
Long-term receiv.	2,460	2,519
Investments & advances	7,197	6,901
#Fixed assets	116,400	98,950
Defer. charges	6,349	12,449
Total Assets	$ 495,132	$ 514,622

Liabilities
(000's)

Notes payable	$ 25,826	$ 46,526
Accts. payable	50,968	46,737
Income taxes	73,042	101,876
Accruals	7,092	69,429
Prod. warranty	11,852	10,158
Adv. pay. from cust.	15,758	15,972
Curr. Liabilities	$ 177,446	$ 188,822
Long-term debt	109,771	114,420
Deferred inc. taxes & invest. tax credit	15,865	16,181
+ Common stock	8,003	7,807
Add. paid-in capital	67,756	63,411
Retained earnings	116,291	123,981
Total Liabilities & Shareholders' Equity	$ 495,132	$ 514,622

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 per value.

Statistical Summary

%Net Income to Equity	—	11.33
Sales to Inventories	3.94	2.56
Working Capital	$185,280,000	$204,981,000
Current Ratio	2.04	2.09
Shareholders' Equity	$192,050,000	$195,199,000

Varo, Inc.

2203 West Walnut Street
Post Office Box 401426
Garland, Texas 75040
(214) 272-1571

Officers: Samuel T. Yanagisawa, chairman, president & chief executive officer; Donald J. Guth, vice chairman; Stanley J. Sadlowski, vice president & chief oper. officer; Hubert E. Hocutt, v.p., secretary, treasurer & chief financial officer; William R. Mason, v.p.-corp. planning & develop.; Leo J. Eveleth, Jr., v.p. & chief personnel officer.

Directors: Donald J. Guth, Samuel T. Yanagisawa, Joseph V. Mariner, Jr., John W. Turner, Eugene L. Miller, Russell D. O'Neal, C.B. Sung.

Areas of Work: Designs and manufactures high voltage rectifiers, small, low cost bridge rectifiers, solid state rectifiers; night viewing equipment and components; high voltage power supplies; solid state frequency changers; inverters and converters: electronic aids for marine navigation and high precision metal optics.

Divisions:

Integrated Systems Division
2201 W. Walnut Street
P.O. Box 401267
Garland, Texas 75040
(214) 272-6511

Power Systems Division
555 North Fifth Street
P.O. Box 401267
Garland, Texas 75040
(214) 276-6141

Electronic Devices Divison
2203 W. Walnut Street
P.O. Box 401146
Garland, Texas 75040
(214) 272-3561

Subsidiaries:

Varo Semiconductor, Inc.
2800 West Kingsley
P.O. Box 40676
Garland, Texas 75040
(214) 271-8511

Acquisition(s):

Applied Optics Center
10 B Street
Burlington, Massachusetts
(617) 273-0309

Designs and produces precision metal optics and optic assemblies for defense, aerospace, and communications applications

Navigation Communication Systems, Inc.
20100 Plummer Street
Chatsworth, California 91311
(213) 349-1250

Manufactures electronic aids for marine applications.

Transfer Agent(s):

Republic Bank of Dallas
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: VRO

Number of Employees:

1980	2,003	1977	1,713
1979	1,892	1976	1,805
1978	1,807		

Plant Footage:

1980	475,000 sq. ft.	1977	470,000
1979	475,000	1976	426,400
1978	475,000		

Sales and Earnings

	Revenues	Oper. Net Income
1981	$ 83,283,000	$ 6,576,000
1980	94,203,000	6,561,000
1979	77,395,000	6,737,000
1978	79,114,000	9,765,000
1977	75,386,000	9,991,000

	No. of Com. Shares	Earn. per Share #
1981	4,471,762	$1.48
1980	4,454,702	1.47
1979	4,416,357	1.51
1978	4,354,842	2.19
1977	4,210,912	2.26

# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Night vision prods.	$ 33,500	$ 43,100
Semiconductor prods.	31,000	39,800
Power conversion prods.	13,000	11,100
Weapons deliv. systems	8,800	5,900
Other	200	—
Elim. of Interseg. sales	(3,200)	(5,700)
	$ 83,300	$ 94,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.40	—	—
1980	0.40	—	—
1979	0.32	—	—
1978	0.33	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 50,315,000	$11.25
1980	44,539,000	10.00
1979	39,657,000	8.98
1978	33,496,000	7.69
1977	23,986,000	5.70

Income Account *
(000's)

Year ended April 30	1981	1980
Oper. revenues	$ 83,283	$ 94,203
Cost of sales & contracts	59,005	69,412
Expenses	14,457)	13,419
Interest income	(1,232)	(1,399)
Interest expense	230	233
Other expense	(166)	1,063
Income before taxes	$ 10,989	$ 11,475
Income taxes	4,413	4,914
Net Income	$ 6,576	$ 6,561

* Included in Costs and Expenses, Depreciation and Amortization: $1,731,000 in 1981 and $1,421,000 in 1980.

Assets
(000's)

As of April 30	1981	1980
Cash	$ 439	$ 785
Cert. of dep.	6,044	5,850
Receiv., net	15,812	13,582
* Inventories	25,030	27,006
Prepaid expenses	581	765
Deferred inc. taxes	854	550
Prepaid taxes	—	922
Current Assets	$ 48,760	$ 49,460
Other assets	4,134	—
# Fixed assets	17,177	14,239
Total Assets	$ 70,071	$ 63,699

Liabilities
(000's)

Long-term debt, curr.	$ 123	$ 127
Accts. payable	5,217	4,870
Accruals	3,874	3,918
Advances	2,321	2,352
Income taxes	1,366	—
Curr. Liabilities	$ 12,901	$ 11,267
Long-term debt	209	280
Cap. lease oblig.	1,789	1,845
Deferred inc. taxes	3,359	3,816
Def. gain & credits	1,498	1,952
+ Common stock	450	448
Add. paid-in capital	9,423	9,190
Retained earnings	41,207	36,414
Treasury stock	291	309
Stock Held in trust	—	675
Stock plan def. compens.	474	529
Total Liabilities & Shareholders' Equity	$ 70,071	$ 63,699

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Sales	13.19	12.18
%Net Income to Sales	7.90	6.96
%Net Income to Equity	13.07	14.73
Working Capital	$ 35,859,000	$ 38,193,000
Current Ratio	3.78	4.39
Shareholders' Equity	$ 50,315,000	$ 44,539,000

Veeco Instruments Inc.

515 Broad Hollow Road
Melville, New York 11747
(516) 694-4200

Officers: Albert Nerken, chairman of the board; Richard Projain, president & chief executive officer; Edward Braun, executive v.p. & chief operating officer; Joshua A. Hauser, v.p. & general manager-Lambda Power Supplies; Robert I. Beaver II, v.p.-operations, Industrial Equipment Div.; Allen E. Busching, vice president-administration, chief financial officer, asst. secretary & treasurer; David Lubart, secretary.

Directors: Albert Nerken, chairman; Richard Projain, Philip L. Defliese, David Lubart, Joseph Ponce, William R. Kuntz, Murray Rosenzweig, Edward Braun, Allen E. Busching.

Areas of Work: Manufactures high and ultra high vacuum systems and components, hybrid voltage regulators, monolithic voltage regulators, power transistors, power semiconductor products, transformers, and Lambda direct current (dc) regulated power supplies and power instruments for general electronic applications.

Divisions and Subsidiaries:

Lambda Electronics Division
515 Broad Hollow Road
Melville, New York 11747

Industrial Equipment Division
Terminal Drive
Plainview, New York 11803

Power Monolithics, Inc.
Corpus Christi, Texas 78410

VEECO Macronetics Inc.
Sunnyvale, California 94086

Veeco/Ai Inc.
Austin, Texas 78760

Veeco S.A.
Orsay, France

Veeco GmbH
Knorrstrasse 142
8000 Munich 45, West Germany

Lambda Electronique S.A.
Orsay, France

Veeco Instruments, Ltd.
High Wycombe, Bucks, England

Lambda Electronics
High Wycombe, Bucks, England

Lambda Electronica de Mexico, S.A.
Reynosa, Mexico

IsLAMBDA Electronics Ltd.
Tel Aviv, Israel

Veeco Lambda Ltd.
100C. Hymus Boulevard
Pointe-Claire
Quebec 730, Canada

Lambda Netzgerate GmbH
Achern, Germany

NEMIC-Lambda K.K. (60% interest)
Tokyo, Japan

Lambda Electronics Ltd.
Carmiel, Israel

NEMIC-Lambda (Singapore) Pte. Ltd.
Singapore

Veeco Lambda S.r.l.
Milan, Italy

Transfer Agent(s):
The Chase Manhattan Bank
New York, New York

Stock Exchange(s): New York

Ticker Symbol: VEE

Sales and Earnings *

	Net Sales	Net Income
1981	$ 111,070,000	$ 10,174,000
1980	105,247,000	10,683,000
1979	86,854,000	9,654,000
1978	64,331,000	7,415,000
1977	47,967,000	4,945,000

	No. of Com. Shares †	Earn. per Share #
1981	9,615,489	$ 1.06
1980	9,615,489	1.12
1979	9,497,589	1.02
1978	9,482,289	0.79

* Restated to include operations acquired on a pooling of interests basis.
† Adjusted to reflect stock splits.
# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1981	1980
Power supply	$ 70,328,000	$ 65,542,000
Semiconductor +	10,832,000	10,165,000
Vacuum	30,956,000	30,220,000
Total	$ 111,070,000	$ 105,247,000

+ Net of intersegment sales.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.20	—	3-for-2
1980	0.20	—	2-for-1
1979	0.17	—	—
1978	0.13	—	3-for-2
1977	0.06	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 55,141,000	$ 5.73
1980	46,662,000	4.85
1979	37,696,000	3.97
1978	29,505,000	3.11

† Restated to reflect operations of companies acquired on a pooling of interests basis.
‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 111,070,000	$ 105,247,000
Cost of sales	59,984,000	55,480,000
Expenses	24,353,000	22,742,000
Research & develop.	5,278,000	4,157,000
Other expense (income)	231,000	33,000
Interest expense	1,387,000	1,190,000
Income before taxes	$ 19,837,000	$ 21,645,000
Income taxes	9,240,000	10,865,000
Income before minority interest	$ 10,597,000	$ 10,780,000
Minority Interest	423,000	97,000
Net Income	$ 10,174,000	$ 10,683,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,470,000 in 1981 and $1,983,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 5,886,000	$ 5,694,000
Accts. receiv., net	23,668,000	23,026,000
*Inventories	30,721,000	31,883,000
Prepaid expenses	1,844,000	1,172,000
Current Assets	$ 62,119,000	$ 61,775,000
#Fixed assets	19,856,000	17,836,000
Other assets	549,000	555,000
Intangibles	3,024,000	3,125,000
Total Assets	$ 85,548,000	$ 83,291,000

Liabilities

	1981	1980
Notes payable	$ 1,409,000	$ 5,033,000
Long-term debt, curr.	956,000	1,127,000
Accts. payable	8,744,000	9,591,000
Accruals	6,283,000	6,081,000
Income taxes	1,040,000	4,943,000
Curr. Liabilities	$ 18,432,000	$ 26,775,000
Long-term debt	8,659,000	7,600,000
Deferred taxes & credits	2,085,000	1,446,000
Minority interest	1,231,000	808,000
+Common stock	9,615,000	6,410,000
Add. paid-in capital	227,000	49,000
Retained earnings	45,299,000	40,203,000
Total Liabilities & Shareholders' Equity	$ 85,548,000	$ 83,291,000

* At lower of cost (FIFO) and average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	17.86	20.57
%Net Income to Sales	9.16	10.15
%Net Income to Equity	18.45	22.89
Sales to Inventories	3.62	3.30
Working Capital	$43,687,000	$35,000,000
Current Ratio	3.37	2.31
Shareholders' Equity	$55,141,000	$46,662,000

Vermont Research Corporation

Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Officers: Hugh M. Taft, president & treasurer; Richard A. Stover, executive vice president; Edward D. Winkler, Jr., controller; John G. Kristensen, clerk; William Austin III, v.p. marketing.

Directors: Hugh M. Taft, Richard A. Stover, J. Franklin Jones, Jr., John G. Moody, Stuart J. Lock.

Areas of Work: Engaged in the development, design and manufacture of drums, discs and other basic memory devices for the computer industry.

Subsidiaries:
Vermont Research Limited
Cleeve Road
Leatherhead, Surrey, England

Vermont Research International Sales Corp.
Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Transfer Agent(s):
State Street Bank and Trust Company
P. O. Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): American

Ticker Symbol: VRE

Number of Employees:

1980	273	1977	165
1979	183	1976	125
1978	183		

Plant Footage:

1980	58,000 sq. ft.	1977	58,000
1979	58,000	1976	58,000
1978	58,000		

Sales and Earnings

	Net Sales	Net Income ‡
1981	$ 16,298,000	$ 2,689,000
1980	16,085,000	2,796,000
1979	10,187,000	1,515,000
1978	6,453,404	476,574
1977	4,967,401	636,341

	No. of Com. Shares †	Earn. per Share # ‡
1981	2,052,822	$ 1.32
1980	1,852,822	1.51
1979	1,833,540	0.84
1978	1,800,774	0.27
1977	1,800,774	0.35

‡ Including extraordinary credits of $9,203 ($0.01 per share) in 1978 and $252,000 ($0.14 per share) in 1977.
† Adjusted to reflect stock splits.
# Based on average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.15	—	—
1980	0.10	—	2-for-1
1979	0.06	—	5-for-4
1978	0.04	—	—
1977	—	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 14,301,000	$ 6.97
1980	6,322,000	3.41
1979	3,655,000	2.03
1978	2,204,460	1.22
1977	1,799,917	1.00

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 16,298,000	$ 16,085,000
Cost of sales	7,619,000	7,519,000
Expenses	4,375,000	3,615,000
Interest expense	97,000	115,000
Other income	(1,131,000)	(136,000)
Income before taxes	$ 5,338,000	$ 4,972,000
Income taxes	2,649,000	2,176,000
Net Income	$ 2,689,000	$ 2,796,000

* Included in Costs and Expenses, Depreciation: $303,000 in 1981 and $193,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 8,453,000	$ 2,072,000
Accts. receiv., net	3,340,000	3,129,000
* Inventories	3,767,000	3,876,000
Prepaid taxes	194,000	138,000
Current Assets	$ 15,754,000	$ 9,215,000
#Fixed assets	1,611,000	1,364,000
Other assets	255,000	35,000
Total Assets	$ 17,620,000	$ 10,614,000

Liabilities

	1981	1980
Long-term debt, curr.	$ 174,000	$ 158,000
Accts. payable	565,000	778,000
Accrued payroll	639,000	711,000
Other accruals	257,000	161,000
Income taxes	877,000	1,426,000
Deferred inc. taxes	53,000	131,000
Curr. Liabilities	$ 2,565,000	$ 3,365,000
Long-term debt	754,000	927,000
+ Common stock	1,026,000	926,000
Add. paid-in capital	5,468,000	—
Retained earnings	7,807,000	5,396,000
Total Liabilities & Shareholders' Equity	$ 17,620,000	$ 10,614,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	32.75	30.91
%Net Income to Sales	16.50	17.38
%Net Income to Equity	18.80	44.23
Sales to Inventories	4.33	4.15
Working Capital	$13,189,000	$5,850,000
Current Ratio	6.14	2.74
Shareholders' Equity	$14,301,000	$6,322,000

Vernitron Corporation

2001 Marcus Avenue
Lake Success, New York 11042
(516) 775-8300

Officers: Herman S. Nathanson, chairman of the board, president & chief executive officer; Bernard Levine, vice chairman of the board, chairman of the executive committee & chief financial officer; Albert Diamond, exec. vice president & chief operating officer; Benjamin Kittner, vice president & secretary; Michael J. Goldman, treasurer & controller; Daniel A. Nathanson, corp. planner.

Directors: Herman S. Nathanson*, chairman; Bernard Levine*, Albert Diamond*, Benjamin Kittner, Benjamin K. Sacks, Jack D. [illegible], Richard H. Weininger.

*Member of Executive Committee.

Divisions:

Control Components Division
1601 Precision Park Lane
San Diego, California 92073
(714) 428-5581
Synchros, resolvers, gyro pick-offs, remote indicators, and indicator assemblies.

VERNITECH Division
300 Marcus Boulevard
Deer Park, New York 11729
(516) 586-5100
Solid state signal converters, digital encoders, and servo motors for use in robotics and office equipment and potentiometers.

Magnetic Technology Division
21001 Kittridge Street
Canoga Park, California 91303
(213) 887-7700
Direct drive DC motors and tachometers.

Piezoelectric Division
232 Forbes Road
Bedford, Ohio 44146
(216) 232-8600
Piezoelectric ignition devices, transducers, sensors, precision electronic filters.

Beau Products Division
P.O. Box 10
Laconia, New Hampshire 03246
(603) 524-5101
Electrical connectors and terminal strips.

LIFEMED Division
2107 Del Amo Boulevard
Compton, California 90210
(213) 638-6167
Supplies a line of artificial kidney machines as well as the disposable coils and blood sets used in dialysis treatments; vascular access devices.

PED-O-JET International
Carlstadt, New Jersey
Maufacture and marketing of jet injection apparatus for the mass inoculation market.

Subsidiaries:

Lafayette Grinding Corporation
115 Banker Street
Brooklyn, New York 11222
(212) 388-5973
Precision metal grinding.

Lafayette Saw and Knife Corporation
292 North Henry Street
Brooklyn, New York 11222
(212) 383-4545
Manufacturer of paper cutting knives, carbide tipped saw blades, metal slitting knives and cutting tools.

AIE Division
Nashville, Tennessee
Smithville, Tennessee
Manufactures transformers, inductors, and LC filters for the telecommunications military, data processing and office products industries.

American Medical Instrument Corporation
133-14 39th Avenue
Flushing, New York 11354
(212) 359-3220
Medical and surgical instruments.

AST/Servo Systems, Inc.
930 Broadway
Newark, New Jersey 07104
(201) 484-4233
A major distributor of ball bearings.

20 Republic Road
North Billerica, Massachusetts 01862
Engaged in the distribution of ball bearings, electromechanical components, assemblies, and test equipment for industrial, educational, and aerospace applications.

Vernitron Limited
Southampton, England

VRN International
P.O. Box 44000
St. Petersburg, Florida 33743
(813) 347-2181
Produces cermet and wirewound trimmer potentiometers and precision single turn and multi-turn wirewound potentiometers.

Vernitron Medical Products Division
Carlstadt & Manasquan, New Jersey
Produces and markets industrial quality washers, dryers, aspirators and sterilizers, primarily for use in hospitals and laboratories.

Brevel Motors
Carlstadt, New Jersey
Scarborough, Ontario
Southampton, England
Manufactures small electric motors.

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): American, Pacific

Ticker Symbol: VRN

Sales and Earnings

	Net Sales +	Net Income
1981	$ 136,524,000	$ 8,000,000
1980	125,325,000	7,432,000
1979	91,859,836	5,689,887
1978	71,453,259	4,068,492
1977	63,042,993	3,514,866

	No. of Com. Shares †	Earn. per Share ‡
1981	5,800,533	$ 1.35
1980	5,446,584	1.34
1979	5,376,555	1.04
1978	5,383,942	0.76
1977	5,004,944	0.65

+ Of continuing operations only.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$0.10	—	—
1980	0.08	—	5-for-4
1979	0.08	—	—
1978	0.04	—	—

+ Adjusted to reflect stock split.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1981	$ 50,795,000	$ 8.76
1980	38,882,000	7.14
1979	31,065,000	5.78
1978	25,903,000	4.81

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
† Adjusted to reflect stock split.

Income Account *

Year ended	12/26/81	12/27/80 ‡
Net sales	$ 136,524,000	$ 125,325,000
Cost of sales	99,251,000	89,188,000
Expenses	22,386,000	21,066,000
Interest expense	1,592,000	1,931,000
Other income	(1,365,000)	(992,000)
Income before taxes	$ 14,660,000	$ 14,132,000
Income taxes	6,660,000	6,700,000
Net Income	$ 8,000,000	$ 7,432,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,785,000 in 1981 and $2,450,000 in 1980.
‡ Restated.

Assets

As of	12/26/81	12/27/80 ‡
Cash	$ 6,843,000	$ 5,426,000
Accts. receiv., net	22,150,000	20,713,000
* Inventories	36,338,000	33,747,000
Other curr. assets	1,306,000	1,201,000
Current Assets	$ 66,637,000	$ 61,087,000
# Fixed assets	17,355,000	16,690,000
Other assets	2,814,000	2,995,000
Total Assets	$ 86,806,000	$ 80,772,000

Liabilities

Long-term debt, curr.	$ 920,000	$ 918,000
Accts. payable	5,615,000	5,405,000
Accruals	11,316,000	12,026,000
Income taxes	1,494,000	2,923,000
Curr. Liabilities	$ 19,345,000	$ 21,272,000
Long-term debt	15,140,000	19,572,000
Def. inc. taxes	1,526,000	1,046,000
+ Class B common stock	25,000	25,000
+ Common Stock	581,000	545,000
Add. paid-in capital	18,309,000	13,854,000
Retained earnings	31,926,000	24,504,000
Treasury stock	(46,000)	(46,000)
Total Liabilities & Shareholders' Equity	$ 86,806,000	$ 80,772,000

‡ Restated.
* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.74	11.28
%Net Income to Sales	5.86	5.93
%Net Income to Equity	15.75	19.11
Sales to Inventories	3.76	3.71
Working Capital	$47,292,000	$39,815,000
Current Ratio	3.44	2.87
Shareholders' Equity	$50,795,000	$38,882,000

Vicon Industries, Inc.

125 East Bethpage Road
Plainview, New York 11803
(516) 293-2200

Officers: Donald N. Horn, president & chief executive officer; Arthur V. Wallace, executive v.p.; John H. Cobb, v.p.-mfg.; Todd H. Whitaker, v.p.-engineering; Arthur C. Berman, secretary; Kenneth M. Darby, treasurer.

Directors: Donald N. Horn, Arthur C. Berman, Arthur V. Wallace, Frederick Hainfield, Jr.; John T. Sheehy.

Areas of Work: Designs and manufactures closed circuit television equipment for the security and surveillance market. Principal products consist of pan and tilt drives and scanners, video switchers and controls, housings and enclosures, mounting accessories, consoles and lenses.

Subsidiary:

Vicon Industries (U.K) Ltd.
Portsmouth, England

Transfer Agent(s):

National Bank of North America
80 Pine Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: VII

Number of Employees:

1981	412	1978	232
1980	325	1977	190
1979	350		

Plant Footage:

1981	90,000 sq. ft.	1978	40,000
1980	70,000	1977	40,000
1979	70,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 18,963,229	$ 1,355,959
1980	17,838,631	1,184,858
1979	13,774,745	735,781
1978	10,052,024	447,792
1977	7,554,446	424,893

	No. of Com. Share +	Earn. per Share +
1981	1,547,813	$ 0.88
1980	1,306,927	0.91
1979	1,018,921	0.72

+ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	50%	—
1980	—	—	—
1979	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 9,856,284	$ 6.37
1980	8,286,501	6.34
1979	3,094,021	3.04

‡ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options adjusted to reflect stock dividend.

Income Account*

Year ended Sept. 30	1981	1980
Net sales	18,963,229	17,838,631
Cost of sales	13,288,498	12,597,053
Expenses	3,547,261	3,191,083
Interest expense	72,241	160,471
Interest income	(350,730)	(209,834)
Income before taxes	$ 2,405,959	$ 2,099,858
Income taxes	1,050,000	915,000
Net Income	$ 1,355,959	$ 1,184,858

* Included in Costs and Expenses; Depreciation and Amortization: $296,549 in 1981 and $189,071 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 55,928	$ 114,294
Certificate of deposit	2,139,902	2,000,000
Notes receivable	75,338	167,480
Accts. receiv., net	3,930,063	2,940,341
*Inventories	6,098,742	4,827,282
Prepaid expenses	203,181	101,344
Current Assets	$ 12,503,154	$ 10,150,741
# Fixed assets	2,574,923	2,300,062
Other assets	14,502	11,014
Total Assets	$ 15,092,579	$ 12,461,817

Liabilities

Notes payable	$ 400,000	$ 200,000
Long-term debt, curr.	121,441	118,861
Accts. payable	2,680,956	1,477,650
Accruals	558,991	486,657
Income taxes	198,494	577,036
Curr. Liabilities	$ 3,959,882	$ 2,860,204
Long-term debt	1,087,500	1,201,199
Deferred income taxes	188,913	113,913
+ Common stock	15,349	9,994
Add. paid in capital	5,298,245	5,089,184
Retained earnings	4,542,690	3,187,323
Total Liabilities & Shareholders' Equity	$ 15,092,579	$ 12,461,817

* At lower of cost (moving average which approximates FIFO or market.)
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.69	11.77
%Net Income to Sales	7.15	6.64
%Net Income to Equity	13.76	14.30
Sales to Inventories	3.11	3.70
Working Capital	$8,543,272	$7,290,537
Current Ratio	3.16	3.55
Shareholders' Equity	$9,856,284	$8,286,501

Vishay Intertechnology, Inc.

63 Lincoln Highway
Malvern, Pennsylvania 19355
(215) 644-1300

Officers: Felix Zandman, president & chief executive officer; Robert A. Freece, v.p., treasurer & chief financial officer; Moshe Shamir, v.p.; William J. Spires, v.p. & secretary; Richard N. Grubb, asst. treasurer.

Directors: Alfred P. Slaner, chairman; Felix Zandman, Robert A. Freece, Milton N. Scofield, Gerald N. Frank, Edward B. Shils.

Areas of Work: Produces precision resistors and resistive devices, strain gages, electronic equipment to read and record the output of strain gages and strain gage transducers, services and equipment in visual and optical measurement sciences for the stress analysis field, with applications in dentistry, and technical teaching aids to colleges, technical schools, and industrial training institutes.

Divisions and Subsidiaries:

Resistive Systems Group

Resistive Systems Group Hq.
63 Lincoln Highway
Malvern, Pennsylvania 19355

Vishay Resistor Products
501 East Jamie Street
La Habra, California 90631

Vishay-Israel, Limited
2 Haofan Street
Holon, Israel

Vishay Resistor Products (U.K.) Ltd.
Headlands Grove
Swindon, England

Vishay Micro-Mesures S.A.
98 Boulevard Gabriel Peri
92240 Malakoff, France

Vishay Resistor Products GmbH
Auguststrasse 21
6348 Herborn 1
West Germany

Nippon Vishay (K.K.)
Machimoku Bldg.
Tokyo, 194, Japan

Vishay Resistor Products Italy
Via Matteotti 55/8
20068 Peschiera Borromeo
Italy

Measurements Group

Measurements Group Hq.
U.S. Highway 64
Wendell, North Carolina 27611

Micro-Measurements Division

Vishay Instruments Division

Photolastic, Inc.

Vishay Research and Education Division
U.S. Highway 64
Wendell, North Carolina 27611

Micro-Measurements Division
38905 Chase Road
Romulus, Michigan 48174

Vishay Micro-Measurements GmbH
8032 Lochham
Am Lochhamer Schlag 6
Munich, West Germany

Vishay Micro-Mesures S.A.
98 Boulevard Gabriel Peri
92240 Malakoff, France

Medical Systems Group

Medical Systems Group Hq.
63 Lincoln Highway
Malvern, Pennsylvania 19355

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: VSH

Number of Employees:

1981	1,000	1978	1,250
1980	1,400	1977	1,100
1979	1,250		

Sales and Earnings ×

	Net Sales #	Net Income +
1981	$ 37,418,331	$ 1,549,657
1980	37,100,610	501,188
1979	30,408,229	2,969,805
1978	24,667,001	1,957,466
1977	20,074,130	1,036,532

	No. of Com. Shares †	Earn. per Share ‡ +
1981	2,669,023	$ 0.58
1980	2,669,023	0.19
1979	2,507,575	1.18
1978	2,485,456	0.79
1977	2,485,456	0.42

× Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
# Of continuing operations only.
+ Including extraodinary loss of $2,719,712 ($1.02 per share) in 1980.
† Adjusted to reflect stock dividends.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	5%	—
1980	—	5%	—

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1981	$ 18,200,040	$ 6.82
1980	16,644,035	6.24
1979	16,151,072	6.44
1978	11,640,469	4.68
1977	9,676,655	3.89

† Restated.
‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1981	1980 ‡
Net sales	$ 37,418,331	$ 37,100,610
Cost of sales	20,958,749	20,271,179
Expenses	13,627,422	12,915,925
Other expenses (income)	1,047,522	(403,823)
Income before taxes	$ 1,784,638	$ 4,317,329
Income taxes	234,981	1,096,429
Net Income	$ 1,549,657	$ 3,220,900
Extraord. loss	—	(2,719,712)
Net Income & Extraord. loss	$ 1,549,657	$ 501,188

* Included in Costs and Expenses, Depreciation and Amortization: $1,698,794 in 1981 and $1,383,605 in 1980.
‡ Restated.

Assets

As of June 30	1981	1980 ‡
Cash	$ 592,529	$ 1,282,097
Marketable securities	2,588,161	1,974,468
Foreign govt. loan	7,115	110,002
Acct. receiv., net	7,651,758	7,622,724
*Inventories	14,844,411	12,702,367
Refund income taxes	138,579	988,061
Deferred inc. taxes	193,306	217,417
Prepaid expenses & other assets	1,124,582	889,504
Current Assets	$ 27,140,441	$ 25,786,640
#Fixed assets	14,220,058	13,017,253
Other assets	1,573,522	1,184,859
Total Assets	$ 42,934,021	$ 39,988,752

Liabilities

Notes payable	$ 5,093,903	$ 7,259,998
Long-term debt, curr.	308,872	199,723
Accts. payable	935,807	1,393,389
Litigation settlement	—	993,922
Communications & royalties payable	459,942	476,432
Payroll & other accrued expenses	2,495,524	2,689,633
Income taxes	64,523	156,577
Capital lease oblig. curr.	119,644	273,982
Curr. Liabilities	$ 9,478,215	$ 13,443,656
Long-term debt	3,641,034	8,337,413
Capital lease oblig.	920,017	846,681
Convert. subord. deben.	10,195,850	—
Deferred taxes	498,865	716,967
+Common stock	266,902	254,193
Add. paid-in capital	8,698,730	7,132,278
Retained earnings	9,234,408	9,257,564
Total Liabilities & Shareholders' Equity	$ 42,934,021	$ 39,988,752

‡ Restated.
* At lower of standard production cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	4.77	11.64
%Net Income to Sales	4.14	8.68
%Net Income to Equity	8.51	19.35
Sales to Inventories	2.52	2.92
Working Capital	$17,662,226	$12,342,984
Current Ratio	2.86	1.92
Shareholders' Equity	$18,200,040	$16,644,035

Visual Sciences, Inc.

900 Walt Whitman Road
Huntington Station, New York 11746
(516) 549-4040

Officers: Denis A. Krusos, chairman of the board; Frank J. DiSanto, president; Walter J. Scherr, exec. v.p. & treasurer; Patrick J. Gallagher, secretary.

Directors: Frank J. DiSanto, Patrick J. Gallagher, Denis A. Krusos, Jerry Georges, Walter J. Scherr, Thomas E. Kuhnen.

Areas of Work: Engaged in the co-design, development, manufacture, marketing and servicing of office facsimile equipment in conjunction with three other companies.

Subsidiaries:

Visual Sciences International, Ltd.
Hamilton, Bermuda

M.G.V.S. International Ltd.
Hamilton, Bermuda

M.G.V.S. (Fax Communications) Company Limited
London, England

Joint Venture:

Panafax Corporation
185 Froehlich Farm Boulevard
Woodbury, New York 11797
Produces, sells and servies facsimile transceivers.

Transfer Agent(s):

Citibank, N.A.
111 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VSCIC (NASDAQ)

Number of Employees:

1981 35

Sales and Earnings

	Net Sales	Net Income +
1981	$ 13,304,269	$ 794,107
1980	14,247,493	(1,443,084)
1979	10,986,910	273,876
1978	6,805,647	(1,817,431)
1977	476,115	(1,883,030)

	No. of Com. Shares ‡	Earn per Share ‡ +
1981	1,784,853	$ 0.44
1980	1,705,969	—
1979	1,775,380	0.15
1978	1,483,890	—
1977	1,483,640	—

(Loss)
‡ Based on the weighted average number of common shares outstanding.
+ Including extraordinary gains of $330,000 ($0.18 per share) in 1981 and $135,000 ($0.08 per share) in 1980.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 574,427	$ 0.32

‡ After allowing for preferred stock at par value.
+ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Oct 31	1981	1980
Net sales	$ 13,304,269	$ 14,247,493
Cost of sales	10,196,415	10,936,521
Expenses	1,973,682	2,607,697
Interest expense	286,065	195,099
Reduction in value of invest.	45,000	177,260

Income before taxes	$ 803,107	$ 330,916
Income taxes	339,000	145,000
Eq. in loss of Panafax Corp.	—	1,764,000
Net Income (Loss)	$ 464,107	$ (1,578,084)
Extraord. gain	330,000	135,000
Net Income (Loss) & Extraord. gain	$ 794,107	$ (1,443,084)

* Included in Costs and Expenses, Depreciation and Amortization: $94,163 in 1981 and $84,855 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 1,937,261	$ 1,275,553
Receiv., net	1,994,258	988,695
* Inventories	439,607	715,657
Prepaid expenses	59,028	182,557
Current Assets	$ 4,430,154	$ 3,162,462
Investments	174,597	270,000
Defer. charges & Other assets	275,468	400,681
Total Assets	$ 4,880,219	$ 3,833,143

Liabilities

Short-term bank debt	$ 1,027,731	$ 758,759
Accts. payable	471,609	812,607
Subord. debt. curr.	879,400	—
Accruals	214,452	166,100
Curr. Liabilities	$ 2,593,192	$ 1,737,466
Subord. debt	1,412,300	2,231,700
Deferred comp. credits	—	489,000
+ Preferred stock	300,300	—
+ + Common stock	18,270	17,092
Add paid-in capital	8,713,933	8,309,768
Deficit	(8,157,776)	(8,951,883)
Total Liabilities & Shareholders' Equity	$ 4,880,219	$ 3,833,143

* At lower of cost (FIFO) or market.
+ $100 par value; (1% cumulative convertible).
+ + $101 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.04	—
%Net Income to Sales	3.49	—
%Net Income to Equity	53.06	—
Sales to Inventories	30.26	19.91
Working Capital	$1,836,962	$ 1,424,996
Current Ratio	1.71	1.82
Shareholders' Equity (Deficency	$ 874,727	$ (625,023)

Vitramon, Incorporated

Route 25
Monroe,Connecticut 06468
(203) 268-6261

Mailing address:

P.O. Box 544
Bridgeport, Connecticut 06601

Officers: Barton L. Weller, president and chairman of the board; Robert H. Paquette, v.p.-finance & treasurer; David R. Chipman, secretary and general counsel; Patricia A. Drake, asst. secretary.

Directors: Barton L. Weller, chairman; Earle A. Hallstrom, William H. Parr, David B. Morgan, Jr., Howard L. Richardson, Richard J. Broderick.

Areas of Work: Engaged in the manufacture of monolithic ceramic capacitors for the electronics industry in the United States and abroad. Products are classified in three major categories; procelain, ceramic and chip capacitors. These components are basic elements in all electronic equipment — including communications, computers, instruments, wrist watches, heart pacemakers and mobile radios. They consist of layers of dielectric material (porcelain or ceramic) and electrodes (metal plates) that form a monolithic body when fused in furnaces.

Subsidiaries:

Vitramon North America
P.O. Box 544
Bridgeport, Connecticut 06601

Vitramon Limited
Wycombe Lane
Wooburn Green
Bucks, England

Vitramon Pty. Limited
P.O. Box 140
Rockdale, N.S.W., 2216
Australia

Vitramon Japan Limited
Nihon Igaku Bldg. 302
1-2-13 Tamagawa Setagaya-ku
Tokyo 158, Japan

Vitramon do Brasil Ltda.
Caixa Postal 19127
01000 Sao Paulo
Brazil

Vitramon GmbH
Muhlbachstrasse, 17
7150 Backnang-Waldrems
West Germany

Vitramon France S.A.R.L.
1, rue Felix-Eboue
94021 Creteil l'Echat
France

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VITR (NASDAQ)

Number of Employees:

1981	569	1978	629
1980	613	1977	601
1979	640		

Plant Footage:

1981	123,000 sq. ft.	1978	116,000
1980	123,000	1977	116,000
1979	116,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 18,630,124	$ (1,657,264)
1980	20,459,846	1,388,520
1979	19,726,499	1,536,253
1978	15,078,613	878,148
1977*	12,430,985	1,218,885

	No. of Com. Shares +	Earn. per Share +
1981	1,514,350	$ —
1980	1,566,634	0.89
1979	1,515,590	1.01
1978	1,522,846	0.58
1977	1,480,120	0.82

(Loss)
* 53 weeks.
+ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981	$ —	5%	—
1980	—	5% & 10%‡	—
1979	0.079	5% & 5%†	—
1978	0.071	5%	—
1977	0.068	5%	—

+ Adjusted to reflect stock dividends.
† Paid Feb., 1980.
‡ Paid Feb., 1981.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 7,660,338	$ 5.06
1980	9,824,240	6.54
1979	8,346,956	5.64
1978	6,882,640	4.69
1977	6,048,062	4.19

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended	12/26/81	12/27/80
Net sales	$ 18,630,124	$ 20,459,846
Cost of sales	14,953,739	13,126,171
Expenses	5,169,264	5,570,129
Interest expense	567,144	249,112
For. curr. exch.	4,500	(199,770)
Income (loss) before taxes	$ (2,064,523)	$ 1,714,204
Income taxes (credit)	(407,259)	325,684
Net Income (Loss)	$ (1,657,264)	$ 1,388,520

* Included in Costs and Expenses, Depreciation and Amortization: $991,862 in 1981 and $657,328 in 1980.

Assets

As of	12/26/81	12/27/80
Cash & temp. invest.	$ 195,084	$ 348,216
Accts. receiv., net	2,978,195	3,124,277
Tax refunds receiv.	413,357	242,984
Receiv.—sale of invest. prop.	482,926	—
*Inventories	4,274,606	4,964,863
Future inc. tax benefits	324,572	290,223
Prepaid expenses	132,239	190,678
Current Assets	$ 8,800,979	$ 9,161,241
Investments & other assets	644,021	946,621
#Fixed assets	6,479,865	5,974,085
Total Assets	$ 15,924,865	$ 16,081,947

Liabilities

Long-term debt, curr.	$ 3,789,057	$ 1,829,196
Accts. payable	1,222,217	1,483,645
Accruals	612,909	874,559
Income taxes	257,944	343,861
Curr. Liabilities	$ 5,882,127	$ 4,531,261
Mortg. pay.	1,697,135	1,063,475
Deferred liab.	685,265	662,971
+ Common stock	151,327	143,004
Add. paid-in capital	6,323,941	5,865,425
Retained earnings	1,726,159	3,815,811
Cum. translation adjust.	(541,089)	—
Total Liabilities & Shareholders' Equity	$ 15,924,865	$ 16,081,947

* At production or purchase cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.38
%Net Income to Sales	—	6.79
%Net Income to Equity	—	14.13
Sales to Inventories	4.36	4.12
Working Capital	$2,918,852	$4,629,980
Current Ratio	1.50	2.02
Shareholders' Equity	$7,660,338	$9,824,240

Wang Laboratories, Inc.

One Industrial Avenue
Lowell, Massachusetts 01851
(617) 851-4111

Officers: An Wang, chairman of the board & president; Harry H.S. Chou, exec. v.p., treasurer & controller; John F. Cunningham, exec. v.p.; Jon F. Kropper, sr. v.p.-manufacturing; Frederick A. Wang, sr. v.p.-development; Edward D. Grayson, v.p., general counsel & secretary; Charles E. Goodhue, III, clerk.

Directors: An Wang, chairman of the board; Peter A. Brooke, Lorraine C. Wang, John F. Cunningham, Harry H.S. Chou, Charles E. Goodhue, III, James C. Hodge, Martin Kirkpatrick, Ernest F. Stockwell, Jr.

Areas of Work: Manufactures electronic calculators, desk top computers, word processing equipment and accessories; also conducts computer software services including electronic mail.

Divisions:

Wang Computer Services
One Industrial Avenue
Lowell, Massachusetts 01851

Subsidiaries:

Wang International Trade, Inc.
One Industrial Avenue
Lowell, Massachusetts 01851

Wang Computer Pty. Ltd.
55 Herbert Street
St. Leonards, 2065
Australia

Wang Ges. m.b.H.
Murlingengasse 7
A-1120 Vienna, Austria

Wang Europe S.A. (European Hdqtrs.)
250 Avenue Louise
1050 Brussels, Belgium

Wang (Canada) Limited
49 Valleybrook Drive
Don Mills, Ontario, Canada M3B 2S6

Wang (U.K.) Limited
Argyle House, 3rd Floor
Joel Street, Northwood Hills
Middlesex, HA6 IN5
England

Wang Computer, Ltd.
Shindaiso Bldg. No. 5
2-10-7 Dogenzaka Shibuya-ku
Tokyo, 150 Japan

Wang Computer Limited
302 Great North Road
Grey Lynn
Auckland, New Zealand

Wang Computers (Pte.) Ltd.
Suite 1801-1808, 18th Floor
Tunas Bldg., 114 Anson Road
Singapore 2, Rep. of Singapore

Wang France S.A.
Tour Gallieni 1
78/80 Avenue Gallieni
93170 Bagnolet, France

Wang Deutschland, G.m.b.H.
Moselstrasse 4
Frankfurt/Main 6000, West Germany

Wang Nederland B.V.
Damstraat 2
Utrecht, The Netherlands

Wang Skandinaviska A.B.
Pyramidvaegen 9A
S-171 36 Solna
Sweden

Wang S.A./A.G.
Markusstrasse 20
CH-8042, Zurich
Zurich and Geneva
Switzerland

Wang Industrial & Computer Taiwan Ltd.
7, Tun Hwa South Road
Sun Start Tun Hwa Bldg.
Taipei, Taiwan
Republic of China

Wang Laboratories (Taiwan) Ltd.
110-118 Kuang-Road
Taipei, Taiwan
Republic of China

Wang Pacific Limited
9th Floor, Lap Heng House
47-50 Gloucester Road
Hong Kong

Wang de Panama (CPEC) S.A.
Apartado 6425
Calle 45E, No. 9N
Bella Vista, Panama

Wang Financial Corporation
Wang Laboratories Puerto Rico, Inc.
Wang Americas, Inc.
Wang de Mexico S.A. de C.V. Graphic Systems, Inc.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): American

Ticker Symbol: WAN

Number of Employees:

1981	15,770	1978	4,600
1980	11,670	1977	3,200
1979	7,725		

Plant Footage:

1981	1,300,000 sq. ft.	1978	950,000
1980	1,114,000	1977	648,334
1979	837,000		

Sales and Earnings

	Revenue	Net Income
1981	$ 856,376,000	$ 78,073,000
1980	543,272,000	52,113,000
1979	321,565,000	28,585,000
1978	198,134,000	15,592,000
1977	134,335,000	9,124,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	57,423,000	$ 1.36
1980	53,182,000	1.00
1979	48,884,000	0.58
1978	45,170,000	0.35
1977	41,321,000	0.22

‡ Based on the weighted average number of Class B Common and Class C Common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1981 Class B . . .	$0.115	—	2-for-1#
1981 Class C . . .	0.04	—	—
1980 Class B . . .	0.08	—	—
1980 Class C . . .	0.06	—	—
1979 Class B . . .	0.05	—	2-for-1
1979 Class C . . .	0.06	—	—
1978 Class B . . .	0.035	—	—
1978 Class C . . .	0.04	—	—
1977 Class B . . .	0.0275	—	1-for-2
1977 Class C . . .	0.12	—	—

+ Adjusted to reflect stock splits.
# In the form of a dividend of one share of Class B Common Stock for each share of Class B Common Stock and Class C Common Stock issued.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 465,596,000	$ 8.11
1980	191,496,500	3.60
1979	118,239,000	2.42
1978	74,997,000	1.66
1977	51,390,000	1.24

‡ Based on the weighted average number of Class B Common and Class C Common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1981	1980
Net sales	$ 700,018,000	$ 460,495,000
Other income	156,358,000	82,777,000
Total income	$ 856,376,000	$ 543,272,000
Cost of sales	399,015,000	242,338,000
Expenses	336,556,000	207,212,000
Interest expense	20,732,000	15,909,000
Income before taxes	$ 100,073,000	$ 77,813,000
Income taxes	22,000,000	25,700,000
Net Income	$ 78,073,000	$ 52,113,000

* Included in Costs and Expenses, Depreciation and Amortization: $54,323,000 in 1981 and $30,048,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 9,989,000	$ 6,706,000
Short-term invest.	24,907,000	—
Accts. receiv., net	257,885,000	167,475,000
*Inventories	271,335,000	208,747,000
Prepaid expenses & other assets	34,831,000	11,392,000
Current Assets	$ 589,947,000	$ 394,320,000
#Fixed assets	215,814,000	128,817,000
Other assets	79,933,000	55,316,000
Total Assets	$ 894,694,000	$ 578,453,000

Liabilities

	1981	1980
Notes payable	$ 24,129,000	$ 35,525,000
Long-term debt, curr.	12,713,000	5,315,000
Accts. payable	58,663,000	65,654,000
Unearned serv. revenue	22,719,000	14,301,000
Compensation	29,068,000	22,051,000
Income taxes	8,601,000	3,329,000
Other taxes	8,427,000	6,248,000
Dividends payable	1,688,000	917,000
Curr. Liabilities	$ 166,008,000	$ 153,340,000
Long-term debt	244,240,000	214,117,000
Deferred inc. taxes	18,850,000	19,500,000
+Class B Common	27,806,000	10,6999,000
+Class C Common	2,063,000	2,063,000
Add. paid-in capital	236,959,000	50,580,000
Retained earnings	202,104,000	130,199,000
Treasury stock	(3,336,000)	(2,045,000)
Total Liabilities & Shareholders' Equity	$ 894,694,000	$ 578,453,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Total Income	11.69	14.32
%Net Income to Total Income	9.12	9.59
%Net Income to Equity	16.77	27.21
Working Capital	$423,939,000	$240,980,000
Current Ratio	3.55	2.57
Shareholders' Equity	$465,596,000	$191,496,000

Wards Company, Inc.

2040 Thalbro Street
Richmond, Virginia 23230
(804) 257-4292

Wards Company, Inc.

Officers: Alan L. Wurtzel, president and chief executive officer; William D. Rivas, Daniel M. Rexinger, exec. v.p.'s; Edward Villanueva, v.p. & treasurer; Walter Bruckart, sr. v.p., Edward Jaffee, Eugene Koch, James N. Gillum, Kenneth Antos, v.p.'s; Jeffrey S. Loeb, controller; Gertrude M. Gibson, secretary; Frank Forlano, John Moldovan, Sheldon Shapiro, asst. v.p.'s.

Directors: Samuel Winokur, S.S. Wurtzel, Edward Villanueva*, Alan L. Wurtzel*, Hyman Meyers, William D. Rivas*, Barry B. Anthony, Daniel M. Rexinger*, Douglas Drysdale, Theodore Nierenberg.

*Member of Executive Committee.

Areas of Work: Through the acquisition of Lafayette Radio Electronics Corp., the company develops and distributes stereo components and other consumer electronic products. Also operates 97 retail outlets and leased departments in 15 states.

Subsidiary:

Lafayette Radio Electronics Corporation
121 S. Service Road
Jericho, New York 11753
(516) 997-9220

Develops and distributes stereo components, home electronic products, and communications equipment. Operates 8 stores in the New York metropolitan area.

Transfer Agent(s):

United Virginia Bank
Richmond, Virginia

Stock Exchange(s): American

Ticker Symbol: WRD

Number of Employees:

1982 1,323

Sales and Earnings

	Net Sales ‡	Net Income #
1982	$ 176,169,000	$ 1,934,000
1981	131,881,000	2,701,000
1980	119,609,000	2,286,000
1979*	111,534,000	2,570,000
1978	90,799,000	2,052,000

	No. of Com. Shares +	Earn. per Share † #
1982	1,839,503	$ 1.07
1981	1,467,306	1.77
1980	1,484,212	1.52
1979	1,438,388	1.71
1978	1,431,588	1.35

‡ Includes operating revenues.
+ Adjusted to reflect stock split.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
* Company changed fiscal year to end February 28. Sales and income for 1979 includes eleven months ended Feb. 28, 1979, and March 1-31, 1978 adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.11	—	2-for-1
1981	0.10	—	—
1980	0.10	—	—
1979	0.025	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 19,478,000	$ 10.59
1981	15,368,000	10.47
1980	13,027,000	8.78
1979	10,690,000	7.43
1978	8,362,000	5.84

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Feb. 28	1982	1981
Net sales & oper. rev.	$ 131,881	$ 176,169
Cost of sales	96,764	128,649
Expenses	29,885	42,018
Interest expense	1,194	2,080
Income before taxes	$ 4,038	$ 3,422
Income taxes	1,337	1,488
Net Income	$ 2,701	$ 1,934

* Included in Costs and Expenses, Depreciation and Amortization: $1,330,000 in 1982 and $973,000 in 1981.

Assets
(000's)

As of Feb. 28	1982	1981
Cash	$ 3,995	$ 2,211
Accts. receiv., net	1,937	3,462
*Inventories	25,757	20,129
Other assets	1,109	1,298
Current Assets	$ 32,798	$ 27,100
#Fixed assets	11,143	6,626
Other assets	3,380	3,856
Value assigned to subleases	4,960	—
Total Assets	$ 52,281	$ 37,582

Liabilities
(000's)

Long-term debt, curr.	$ 155	$ 486
Accts. payable & accruals	15,979	11,797
Accrued inc. taxes	7	669
Curr. Liabilities	$ 16,141	$ 12,952
Long-term debt	13,531	7,396
Deferred income taxes	104	43
Deferred revenues	2,431	1,823
+Preferred stock	596	—
++Common stock	1,943	1,578
Add. paid-in capital	4,569	2,538
Retained earnings	13,553	11,869
Treasury stock	(587)	(617)
Total Liabilities & Shareholders' Equity	$ 52,281	$ 37,582

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $20 par value; 16¼% cum. convert.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales and Rev.	3.06	1.94
%Net Income to Sales & Rev.	2.05	1.10
%Net Income to Equity	13.46	12.58
Working Capital	$16,657,000	$14,148,000
Current Ratio	2.03	2.09
Shareholders' Equity	$20,074,000	$15,368,000

Warner Electric Brake & Clutch Company

449 Gardner Street
South Beloit, Illinois 61080
(815) 389-7771

Officers: Steven P.J. Wood, chairman of the board; William W. Keefer, president; Rodney F. Ackerman, sr. v.p.-automotive sales; Paul de Belay, v.p.-international operations; R. Scott Johnson, v.p.-industrial marketing; Roderick T. MacFarlane, v.p., gen. mgr.-Motion Control Systems; Thomas E. Berger, v.p.-finance & secretary; Hubert E. Klinkenberg, v.p.-Beaver Precision Products, Inc.; Joseph M. Ross, v.p., gen.mgr.-Beloit Division.

Directors: Mark T. Gilkison, Robert L. Swam, William W. Keefer, Benjamin C. Kuo, John A. Morris, E. William Swanson, Malcolm J. Wood, Steven P.J. Wood, Richard B. Black.

Areas of Work: Manufactures and markets motion control devices which find a wide variety of industrial and automotive applications. The company's products include photoelectric sensors and controls, brakes for stopping motion, clutches for starting and disengaging motion and ball bearing screws for converting rotary or linear motion, are used for the purposes of automation, convenience and labor saving functions.

Divisions and Subsidiaries:

Beaver Precision Products, Inc.
1970 Big Beaver Road
Troy, Michigan 48084
(313) 689-3100

Precision ball screws.

Motion Control Systems Division
P.O. Box 275
Marengo, Illinois 60152
(815) 568-8001

Products include: step motors, sensors, actuators, lead screws and automatic control systems.

PSI Division
P.O. Box 118
Pitman, New Jersey
(609) 589-0815

Products include: wrap spring clutches and brakes.

Alcoils, Inc.
415 South Chauncey Street
Columbia City, Indiana 46725
(219) 244-6183

Precision wound aluminum and copper coils.

Walterboro Division
Walterboro, South Carolina

Precision Ball Bearing Screws.

Warner Electric, Inc.
Lausanne, Switzerland

Warner France, S.A.
Le Mans, France

Warner Electric, GmbH
Wolfschlugen, Germany

Warner Electric, Ltd.
Bishop Auckland, England

Warner Electric do Brasil, Ltda.
Sao Paula, Brazil

Brakes and Clutches.

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe Street
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WARN (NASDAQ)

Number of Employees:

1981	2,728	1978	2,907
1980	2,865	1977	2,574
1979	3,065		

Plant Footage:

1980	834,000 sq. ft.	1977	812,000
1979	834,000	1976	606,500
1978	812,000		

* Including parent company, divisions and subsidiaries.

Sales and Earnings

	Net Sales	Net Income
1981	$ 154,289,404	$ 9,339,466
1980	152,438,270	10,435,716

1979	138,690,250	10,085,589
1978	115,491,707	8,707,567
1977	101,816,844	6,768,754

	No. of Com. Shares †	Earn. per Share ‡
1981	5,211,000	$ 1.79
1980	5,196,000	2.01
1979	5,264,000	1.92
1978	5,252,000	1.66
1977	5,464,000	1.24

† Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980	1979	1978
Auto air conditioning	12%	10%	11%	14%
Plant modernization	21	19	19	19
Machine tools	18	19	15	15
Information processing	11	14	15	14
Farm equip.	7	7	8	8
Aircraft	10	8	6	4
Printing/packaging machinery	5	5	5	5
Other	16	18	21	21
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.70	—	2-for-1
1980	0.64	—	—
1979	0.55	—	—
1978	0.45	—	—
1977	0.35	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 63,062,000	$ 12.06
1980	59,007,000	11.35
1979	51,800,000	10.00
1978	45,776,000	8.68
1977	39,335,000	7.55

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1980	1979
Net sales	$ 152,438,270	$ 138,690,250
Other income	347,520	292,593
Total income	$ 152,785,790	$ 138,982,843
Cost of sales	97,901,539	90,699,651
Expenses	30,951,452	26,292,985
Depreciation & amortization	4,145,072	3,268,946
Interest expense	1,652,511	935,672
Income before taxes	$ 18,135,216	$ 17,785,398
Income taxes	7,700,000	7,700,000
Net Income	$ 10,435,216	$ 10,085,589

Assets

As of Dec. 31	1980	1979
Cash	$ 3,820,577	$ 2,344,754
Accts. receiv., net	28,275,104	26,064,458
* Inventories	38,517,411	37,227,955
Prepaid expenses	418,285	374,100
Current Assets	$ 71,031,377	$ 66,011,267
# Fixed assets	26,158,781	20,708,809
Other assets	4,056,809	6,400,230
Intangibles	2,298,941	2,335,926
Total Assets	$ 103,545,908	$ 95,456,232

Liabilities

Notes payable	$ 5,700,000	$ 4,000,000
Long-term debt. curr.	800,000	818,200
Accts. payable	7,226,803	9,840,897
Accruals	5,288,016	4,537,841
Accrued payroll	5,265,536	4,347,733
Dividends payroll	845,043	776,681
Income taxes	1,941,338	2,692,618
Curr. Liabilities	$ 27,066,736	$ 27,013,970
Long-term debt	13,740,318	13,870,650
Deferred inc. taxes	2,838,496	2,091,732
Other liabilities	892,955	679,618
+ Common stock	3,084,854	3,084,854
Add. paid-in capital	799,383	753,620
Retained earnings	60,929,768	53,845,932
Treasury stock	(5,806,602)	(5,884,144)
Total Liabilities & Shareholders' Equity	$ 103,545,908	$ 95,456,232

* At lower of cost (FIFO) or market for international subsids., LIFO for U.S. companies.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.90	12.82
%Net Income to Sales	6.85	7.27
%Net Income to Equity	17.68	19.47
Sales to Inventories	3.96	3.73
Working Capital	$43,964,641	$38,997,297
Current Ratio	2.62	2.44
Shareholders' Equity	$59,007,403	$51,800,262

Waters Instruments, Inc.

2411 Seventh Street, N.W.
Valley High Industrial Park
Rochester, Minnesota 55903
(507) 288-7777

Mailing address:

P.O. Box 6117
Rochester, Minnesota 55903

Officers: George F. Waters, chairman of the board; Thomas A. Burton, president & chief executive officer; George Sedivy, v.p. James M. Liberko, secretary & treasurer.

Directors: Thomas A. Burton, John C. Enblom, Stan D. Donnelly, Newell O. Gaasedelen, Byron E. James, George F. Waters.

Divisions:

Farm Products Division
Rochester, Minnesota
Products: electric fence chargers for farm use.

Subcontracting Division
Rochester, Minnesota
Engaged in sub-contract manufacturing of cable harness assemblies and other electric or mechanical assemblies for computer equipment manufacturers.

Medical Division
Rochester, Minnesota
Produces electro-medical equipment and analytical instruments for hospital and laboratory use. Oximeters for measuring the oxygen saturation of human blood, cardiac out-put computers for determining heart function and 'MOX' 100 kidney preservation equipment used in kidney transplant surgery.

Johannah Medical Services, inc.
Diagnostic needle products.

Acquisition(s):

International Electric Co.
Chicago, Illinois
Manufactures electric fence chargers.

Transfer Agent(s):

Northwestern National Bank
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTRS (NASDAQ)

Number of Employees:

1980	225	1978	181
1979	220	1977	151

Plant Footage:

1981	96,000 sq. ft.	1978	60,000
1980	66,000	1977	60,000
1979	60,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 10,898,000	$ 530,000
1981	8,723,856	365,601
1980	8,289,338	299,895
1979	6,919,683	285,262
1978	5,891,985	234,524

	No. of Com. Shares	Earn. per Share +
1982	962,130	$ 0.56
1981	956,200	0.38
1980	955,400	0.31
1979	955,400	0.30
1978	955,400	0.25

+ Based on the average number of shares outstanding.

Revenues By Line of Business

	1981	1980
Cable division	$ 5,147,000	$ 4,185,000
Northern signal div.	3,330,000	2,453,000
Medical division	2,421,000	2,086,000
Total	$ 10,898,000	$ 8,724,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.09	—	—
1981	0.07	—	—
1980	0.07	—	—
1979	0.06	—	—
1978	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 4,179,000	$ 4.34
1981	3,796,000	3.97
1980	3,496,185	3.66
1979	3,263,168	3.42
1978	3,035,230	3.18

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 10,898,000	$ 8,724,000
Cost of sales	8,250,000	6,736,000
Expenses	1,773,000	1,352,000
Oper. profit	$ 875,000	$ 636,000
Other income	(132,000)	(94,000)
Interest expense	42,000	29,000
Income before taxes	$ 965,000	$ 701,000
Income taxes	435,000	336,000
Net Income	$ 530,000	$ 365,000

* Included in Costs and Expenses, Depreciation and Amortization: $95,000 in 1981 and $69,000 in 1980.

Assets

As of Jan. 31	1982	1981
Cash & marketable secur.	$ 675,000	$ 1,049,000
Receiv., net	1,714,000	1,062,000
*Inventories	2,790,000	1,740,000
Prepaid expenses	76,000	31,000
Current Assets	$ 5,255,000	$ 3,882,000
#Fixed assets	955,000	768,000
Other assets	40,000	37,000
Intangibles	350,000	—

Waters Instruments, Inc.

Total Assets	$ 6,600,000	$ 4,687,000
Liabilities		
Notes payable	$ 119,000	$ 32,000
Accts. payable	829,000	139,000
Accruals & inc. taxes pay.	715,000	391,000
Curr. Liabilities	$ 1,663,000	$ 562,000
Long-term debt	620,000	317,000
Deferred inc. tax credits	138,000	12,000
+Common stock	96,000	96,000
Add. paid-in capital	1,180,000	1,163,000
Retained earnings	2,981,000	2,537,000
Treasury stock	(78,000)	—
Total Liabilities & Shareholders' Equity	$ 6,600,000	$ 4,687,000

* Raw materials stated at lower of cost (FIFO) or replacement market; work in process and finished goods stated at cost (FIFO), but not in excess of realizable values.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.85	8.04
%Net Income to Sales	4.86	4.18
%Net Income to Equity	12.68	9.62
Sales to Inventories	3.90	5.01
Working Capital	$3,592,000	$3,320,000
Current Ratio	3.15	6.91
Shareholders' Equity	$4,179,000	$3,796,000

Waters Manufacturing, Inc.

Longfellow Center
Wayland, Massachusetts 01778
(617) 358-2777

Officers: Robert A. Waters, president, chairman of the board & chief executive officer; Salvatore F. Mazzarini, v.p. and treasurer; Donald A. Russell, president & chief operating officer; Stephen W. Howe, clerk.

Directors: Robert A. Waters, chairman; Salvatore F. Mazzarini, Harry Sugarman, Martin Kirkpatrick, Samuel J. Davy, Gerald F. Griffin, Real O. Roy, Donald A. Russell.

Areas of Work: Designs and manufactures precision potentiometers, professional audio controls and torque measuring equipment for use in industry and government.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	115	1978	105
1980	120	1977	105
1979	135		

Plant Footage:

1981	24,000 sq. ft.	1978	21,500
1980	24,000	1977	21,500
1979	24,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 3,886,640	$ 352,866
1980	3,773,259	268,171
1979	3,157,071	243,182
1978	2,320,026	194,292
1977	2,137,465	159,858

	No. of Com. Shares	Earn. per Share +
1981	534,690	$ 0.66
1980	539,266	0.49
1979	548,957	0.44
1978	554,257	0.35
1977	554,257	0.29

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,055,338	$ 3.84
1980	1,711,730	3.17
1979	1,462,960	2.66
1978	1,227,928	2.22
1977	1,033,636	1.86

Income Account *

Year ended April 30	1981	1980
Net sales	$ 3,886,640	$ 3,773,259
Cost of sales	2,464,189	2,587,200
Expenses	783,487	720,124
Oper. profit	$ 638,964	$ 465,935
Other income	37,902	19,236
Income before taxes	$ 676,866	$ 485,171
Income taxes	324,000	217,000
Net Income	$ 352,866	$ 268,171

* Included in Costs and Expenses, Depreciation: $121,111 in 1981 and $113,799 in 1980.

Assets

As of April 30	1981	1980
Cash	$ 65,168	$ 59,464
Cert. of deposit	450,000	—
Accts. receiv., net	472,960	638,497
*Inventories	979,737	913,378
Prepaid expenses & sundry receiv.	22,760	16,912
Current Assets	$ 1,990,625	$ 1,628,251
#Fixed assets	364,078	422,600
Other assets	65,756	62,351
Total Assets	$ 2,420,459	$ 2,113,202
Liabilities		
Accts. payable	$ 55,940	$ 132,333
Accruals & sundry liab.	191,678	195,100
Income taxes	104,269	33,500
Cap. lease oblig., curr.	2,498	2,128
Non-refund. cust. dep.	—	25,368
Curr. Liabilities	$ 354,385	$ 388,429
Cap. lease oblig.	10,736	13,043
+Common stock	577,057	577,057
Add. paid-in capital	196,936	196,936
Retained earnings	1,348,641	995,775
Treasury stock	(67,296)	(58,038)
Total Liabilities & Shareholders' Equity	$ 2,420,459	$ 2,113,202

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.42	12.86
%Net Income to Sales	9.08	7.11
%Net Income to Equity	17.17	15.67
Sales to Inventories	3.97	4.13
Working Capital	$1,636,240	$1,239,822
Current Ratio	5.62	4.19
Shareholders' Equity	$2,055,338	$1,711,730

Watkins-Johnson Company

3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Officers: Dean A. Watkins, chairman of the board; W. Keith Kennedy, Jr., v.p.-Devices Group; O. Thomas Purl, v.p.-shareowner relations; H. Richard Johnson, president and chief executive officer; William E. Kunz, v.p.-Systems Group; Bernard Rosen, Bruce G. Blencher, John H. Foster, v.p.; C. Louise Baer, secretary; H. Edward Bechmeyer, treasurer; Howard W. Stehlman, controller.

Directors: Dean A. Watkins, H. Richard Johnson, Dwight M. Cochran, John J. Hartmann, Nathan C. Finch, Rita R. Campbell, Jack L. Shepard, Von R. Eshleman.

Areas of Work: Engaged in the development, design and production of receiving equipment for surveillance, direction finding and countermeasures; antenna-to-data-reduction reconnaissance and surveillance systems; solid-state amplifiers, travelling-wave and backward-wave tubes and oscillators, tuners, receivers and computer controlled microwave receiving systems.

Divisions:

Systems Group
Recon Division
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

SEE Division
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

CEI Division
700 Quince Orchard Road
Gaithersburg, Maryland 20760
(301) 948-7550

Devices Group
Solid State Subsystems
Solid State Devices
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Stewart Division
440 Mount Hermon Road
Scotts Valley, California 95060
(408)438-2100

Subsidiaries:

Watkins-Johnson Associates
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson International
3333 Hillview Avenue
Palo Alto, California 940304
(415) 493-4141

Watkins-Johnson Limited
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Italiana, S.p.A.
Rome, Italy

Transfer Agent(s):

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Well Fargo Bank
Box 44011
San Francisco, California 94144

Stock Exchange(s): New York, Phila-Balt-Wash, Pacific, Boston.

Ticker Symbol: WJ

Number of Employees:

1981	2,540	1978	2,930
1980	2,710	1977	2,710
1979	2,920		

Plant Footage:

1981	799,000 sq. ft.	1978	709,000
1980	799,000	1977	709,000
1979	709,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 132,426,304	$ 6,682,327
1980	132,793,539	7,091,665
1979	127,645,731	7,253,819
1978	105,617,907	2,173,367
1977	90,070,632	5,440,065

	No. of Com. Shares +	Earn. per Share +
1981	3,187,685	$ 2.10
1980	3,179,057	2.23
1979	3,131,219	2.32
1978	3,087,144	0.70
1977	3,082,878	1.76

+ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Systems	57%	58%	58%	56%
Devices	43	42	42	44
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.48	—	—
1980	0.48	—	—
1979	0.40	—	—
1978	0.40	—	—
1977	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 71,159,954	$ 22.32
1980	65,850,498	20.71
1979	59,947,394	19.15
1978	52,829,678	17.11
1977	51,777,798	16.80

‡ Based on weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 132,426,304	$ 132,793,539
Cost of sales	84,778,315	83,697,779
Expenses	37,237,319	36,162,701
Loss from term. contracts	—	550,000
Income before taxes	$ 11,332,327	$ 12,321,665
Income taxes	4,650,000	5,230,000
Net Income	$ 6,682,327	$ 7,091,665

* Included in Costs and Expenses, Depreciation and Amortization: $5,215,133 in 1981 and $4,730,973 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 1,415,288	$ 2,136,549
Marketable securities	21,263,665	13,869,938
Receiv., net	30,735,305	31,431,558
*Inventories	19,709,823	17,979,714
Other assets	1,426,838	2,043,568
Current Assets	$ 74,550,919	$ 67,461,327
#Fixed assets	37,972,742	38,241,909
Other assets	3,603,069	3,704,926
Total Assets	$ 116,126,730	$ 109,408,162

Liabilities

	1981	1980
Notes payable	$ 1,284,185	$ 1,393,025
Accts. payable	3,531,761	3,628,151
Payroll & prof. sharing	6,813,599	6,837,600
Advances on contracts	1,911,207	710,742
Income taxes	893,610	1,258,209
Guarantee under term. contract	1,875,311	1,875,311
Other liabilities	4,161,803	3,379,520
Curr. Liabilities	$ 20,471,476	$ 19,082,558
Deferred inc. taxes	2,290,856	1,871,619
Long-term oblig. under cap. leases	22,204,444	22,603,487
+Common stock	3,334,770	3,329,978
Add. paid-in capital	5,201,777	5,049,345
Retained earnings	62,623,407	57,471,175
Total Liabilities & Shareholders' Equity	$ 116,126,730	$ 109,408,162

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.56	9.28
%Net Income to Sales	5.05	5.34
%Net Income to Equity	9.39	10.77
Sales to Inventories	6.72	7.39
Working Capital	$54,079,443	$48,378,769
Current Ratio	3.64	3.54
Shareholders' Equity	$71,159,954	$65,850,498

Wavetek

9045 Balboa Avenue
P.O. Box 651
San Diego, California 92112
(714) 279-2200

Officers: David M. Goodman, chairman of the board; John M. Thornton, president & chief exec. officer; John P. Schweikart, v.p. & chief financial officer; Henry Reinecke, Jr., v.p. & gen. mgr.-Wavetek San Diego; S.N. Thanos, v.p. & gen. mgr.-Wavetek Rockland, Inc.; Louis W. Abbott, v.p. & gen. mgr.-Wavetek Indiana, Inc.; John H. Byrne, v.p. & general counsel; Robert A. Padgett, secretary; Robert J. Croshaw, v.p.-international sales.

Directors: Joel A. Naive, John M. Thornton, John L. Cassis, C. Frederick Sehnert, David M. Goodman, Louis W. Abbott, J. Garrett Fitzgibbons, Katherine P. Naive.

Areas of Work: Designs, manufactures and sells electronic test equipment, principally generators.

Subsidiaries:

Wavetek Indiana, Incorporated
5808 Churchman
Beech Grove, Indiana 46107
(317) 788-9351

Wavetek Rockland, Inc.
Rockleigh Industrial Park
Rockleigh, New Jersey 07647

Wavetek Electronics GmbH
Hans-Pinsel-Strasse 9-10
D-8013 Haar bei München
West Germany

Wavetek Electronics, Ltd.
109 Crockhamwell Road, Woodley
Reading, BERKS RG5 3JP
England

Transfer Agent(s):

California First Bank
P.O. Box 2529
8155 Mercury Court, Bldg.
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WVTK (NASDAQ)

Number of Employees:

1981	1,041	1978	677
1980	1,018	1977	642
1979	798		

Plant Footage:

1981	222,000 sq. ft.	1978	121,000
1980	160,000	1977	118,000
1979	156,000		

Sales and Earnings

	Net Sales #	Net Income
1981	$ 44,914,000	$ 2,050,000
1980	38,344,000	2,175,000
1979	31,264,000	2,488,000
1978	26,493,000	2,028,000
1977	19,771,000	1,225,000

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,368,000	$ 0.61
1980	2,919,000	0.75
1979	2,921,000	0.85
1978	2,767,000	0.73
1977	2,653,000	0.46

Of continuing operations only. Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividends	Stock Split
1981	—	—	—
1980	—	—	3-for-2
1979	—	—	—
1978	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 34,547,000	$ 10.26
1980	15,736,000	5.39
1979	12,708,000	4.35
1978	9,951,000	3.60
1977	7,796,000	2.94

‡ Based on average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 44,914,000	$ 38,344,000
Cost of sales	22,437,000	17,967,000
Expenses	18,028,000	15,134,000
Interest expense	1,274,000	718,000
Interest income	(449,000)	—
Income before taxes	$ 3,624,000	$ 4,525,000
Income taxes	1,574,000	2,128,000
Income from cont. oper.	$ 2,050,000	$ 2,397,000
Loss from discont. oper.	—	(222,000)
Net Income	$ 2,050,000	$ 2,175,000

* Included in Costs and Expenses, Depreciation: $1,190,000 in 1981 and $942,000 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 560,000	$ 277,000
Short-term invest.	5,200,000	—
Notes receiv.	108,000	577,000
Receiv., net	10,701,000	9,298,000
*Inventories	13,090,000	10,465,000
Def. tax benefit	531,000	—
Other assets	256,000	191,000
Current Assets	$ 30,446,000	$ 20,808,000
#Fixed assets	12,542,000	8,990,000
Long-term receiv.	1,330,000	967,000
Other assets	78,000	93,000
Total Assets	$ 44,396,000	$ 30,858,000

Liabilities

	1981	1980
Notes payable	$ —	$ 5,410,000
Long-term debt, curr.	148,000	254,000
Accts. payable	2,873,000	1,516,000
Accruals	1,707,000	1,736,000
Accrued payroll	1,139,000	1,352,000

Income taxes	—	241,000
Curr. Liabilities	$ 5,867,000	$ 10,709,000
Long-term debt.	3,262,000	3,977,000
Deferred inc. taxes	720,000	436,000
Common stock	20,962,000	4,052,000
Retained earnings	13,585,000	11,684,000
Total Liabilities & Shareholders' Equity	$ 44,396,000	$ 30,858,000

* At cost (FIFO) not in excess of market.
# Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	8.07	—
%Net Income to Sales	4.56	—
%Net Income to Equity	5.93	13.82
Sales to Inventories	3.43	3.66
Working Capital	$24,579,000	$10,099,000
Current Ratio	5.19	1.94
Shareholders' Equity	$34,547,000	$15,736,000

R. V. Weatherford Co.

6921 San Fernando Road
Glendale, California 91201
(213) 849-3451

Officers: R. V. Weatherford, chairman of the board, president & treasurer; C. Clifford Riggs, exec. v.p.; Ben C. Johnson, sr. v.p.-marketing & sales; June E. McCabe, v.p.-administrative services & secretary; Robet A. Westrum, v.p.

Directors: John G. Monkman, R. V. Weatherford, Dinesh Maniar, C. Clifford Riggs, Howard L. Sanger.

Areas of Work: Engaged in the wholesale distribution of electronic components and equipment, principally semiconductors, electronic hardware, resistors, and capacitors; services for microprocessor units, minicomputers, and peripheral equipment, including printers, visual display terminals, and memory boards. The Company's sales are made to original equipment manufacturers located in the Western United States, principally California. Principal customers are in the defense, aerospace, computer and communication industries.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTHR (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 38,171,896	$ 33,229
1980	35,384,117	591,681
1979	26,386,025	300,074
1978	20,398,857	74,371
1977	17,088,547	(290,187)

	No. of Com. Shares	Earn. per Share ‡
1981	590,191	$ 0.06
1980	590,191	1.00
1979	590,191	0.51
1978	590,191	0.13
1977	590,191	—

(Loss)
‡ Based on average number of shares outstanding.

Revenues By Line of Business

	1981	1980	1979	1978
Semiconductors	43.0%	44.7%	43.2%	41.2%
Electronic hardware	40.8	43.9	43.3	45.2
Other	16.2	11.4	13.5	13.6
Total	100.0%	100.0%	100.0%	100.0%

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 6,505,252	$ 11.02
1980	6,472,023	10.97
1979	5,880,342	9.96
1978	5,580,268	9.46
1977	5,505,897	9.33

Income Account *

Year ended June 30	1981	1980
Net sales	$ 38,171,896	$ 35,384,117
Cost of sales	27,119,876	26,442,332
Expenses	11,038,456	7,823,665
Income bef. taxes	$ 13,564	$ 1,118,120
Income taxes (credit)	(19,665)	526,439
Net Income	$ 33,229	$ 591,681

* Included in Costs and Expenses, Depreciation and Amortization: $176,768 in 1981 and $64,018 in 1980.

Assets

As of June 30	1981	1980
Cash	$ —	$ 410,073
Accts. receiv., net	6,011,911	5,278,448
*Inventories	10,337,530	7,925,050
Inc. taxes refund.	24,704	—
Other assets	467,127	367,643
Current assets	$ 16,841,272	$ 13,981,214
#Fixed assets	575,823	235,361
Deferred leases	466,809	—
Other assets	187,613	—
Total Assets	$ 18,071,517	$ 14,216,575

Liabilities

Cash overdraft	$ 42,273	$ —
Notes payable	4,707,000	1,900,000
Curr. Portion long-term debt	468,418	193,344
Accts. payable	3,847,058	3,829,501
Inc. taxes payable	—	3-8,815
Accruals	540,471	780,688
Curr. Liabilities	$ 9,605,220	$ 7,052,348
Long-term debt	1,961,045	692,204
+ Capital stock	612,149	612,149
Add. paid-in capital	1,018,263	1,018,263
Retained earnings	4,874,840	4,841,611
Total Liabilities & Shareholders' Equity	$ 18,071,517	$ 14,216,575

* At cost (weighted average) not in excess of market.
# Less accumulated depreciation and amortization.
+ No par value per share; $1 stated value.

Statistical Summary

%Income bef. Taxes to Sales	0.04	3.16
%Net Income to Sales	0.09	1.67
%Net Income to Equity	0.51	9.14
Sales to Inventories	3.69	4.46
Working Capital	$7,236,052	$6,928,866
Current Ratio	1.75	1.98
Shareholders' Equity	$6,505,252	$6,472,023

WEIGH-TRONIX, Inc.

(formerly a subsidiary of Art's-Way Manufacturing Company, Incorporated)

2000 Armstrong Drive
Fairmont, Minnesota 56031
(507) 238-4461

Officers: Frederick A. Fielder, chairman of the board; Richard S. Bradley, president & chief executive officer; Vincent D. Del Santo, v.p.-manufacturing; James W. Deer, secretary; Emery J. Lee, treasurer, asst. secretary & controller.

Directors: James H. Binger, Richard S. Bradley, George A. Cavanaugh, Jr., Herbert H. Davis, Jr., James W. Deer, Frederick A. Fielder, F. William Harder, James L. Koley, Donald M. McClellan, Judson S. Sayre, Arthur W. Schwalm.

Areas of Work: Engaged in the manufacture of electronic weighing systems for farm and industry.

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Bradford Trust
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WGHT (NASDAQ)

Number of Employees:

1981	254	1979	252
1980	194		

Plant Footage:

1981	141,000 sq. ft.	1979	85,000
1980	141,000		

Sales and Earnings

	Net Sales	Net Income
12/26/81*	$ 14,877,224	$ 1,235,516
12/27/80	7,020,960	582,313
5/31/80	16,209,045	2,028,396
5/31/79	12,146,667	1,566,113
5/31/78	7,599,428	840,628

	No. of Com. Shares	Earn. per Share †
12/26/81*	1,952,932	$ 0.63
12/27/80	1,952,932	0.30
5/31/80	1,952,933	1.04
5/31/79	1,952,933	0.80
5/31/78	1,952,933	0.43

* 7 months.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/26/81	$ —	—	—
12/27/80	—	—	—
5/31/80	0.40	—	2.47-for-1

Common Stock Equity

	Total Equity	Equity Per Share
12/26/81	$ 7,858,618	$ 4.02
12/27/80	6,623,102	3.39
5/31/80	5,977,791	3.06
5/31/79	4,738,700	2.43
5/31/78	3,172,587	1.62

Income Account *

Year ended	12/26/81	12/27/80 (7 months)
Net sales	$ 14,877,224	$ 7,020,960
Cost of sales	9,240,922	4,328,487
Expenses	3,414,499	1,579,465
Interest income	(228,243)	(92,776)
Interest expense	212,731	85,951
Income before taxes	$ 2,237,315	$ 1,119,833
Income taxes	1,001,799	537,520
Net Income	$ 1,235,516	$ 582,313

* Included in Costs and Expenses, Depreciation and Amortization: $361,717 in the year ended 12/26/81 and $160,730 in the seven months ended 12/27/80.

Assets

As of	12/26/81	12/27/80
Cash & cert. of deposit	$ 1,432,490	$ 1,594,428
Accts. receiv., net	2,698,144	1,974,783
Other receiv.	12,208	21,495
*Inventories	2,852,098	2,708,144
Prepaid expenses	70,827	48,327
Def. inc. tax benefits	29,872	37,872
Current Assets	$ 7,095,639	$ 6,385,049
#Fixed assets	4,361,893	3,867,943
Other assets	76,402	85,170
Total Assets	$ 11,533,934	$ 10,338,162

Liabilities

Accts. payable	$ 254,053	$ 297,142
Long-term debt, curr.	45,000	—
Accrued payroll	154,160	152,067
Accrued interest	44,183	19,680
Accrued inc. taxes	65,605	325,966
Other accruals	299,591	210,747
Curr. Liabilities	$ 862,592	$ 1,005,602
Long-term debt	2,555,000	2,600,000
Deferred inc. taxes	176,940	42,940
Deferred income	80,784	66,518
+Common stock	976,466	976,466
Add. paid-in capital	318,232	172,988
Retained earnings	6,819,154	5,583,638
Notes receiv. from officers	(255,234)	(109,990)
Total Liabilities & Shareholders' Equity	$ 11,533,934	$ 10,338,162

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	15.04	15.95
%Net Income to Sales	8.30	8.29
%Net Income to Equity	15.72	8.79
Sales to Inventories	5.22	2.59
Working Capital	$6,233,047	$5,379,447
Current Ratio	8.23	6.35
Shareholders' Equity	$7,858,618	$6,623,102

Weinschel Engineering Co., Inc.

One Weinschel Lane
Gaithersburg, Maryland 20760
(301) 948-3434

Mailing address:

P.O. Box 577
Gaithersburg, Maryland 20760

Officers: Bruno O. Weinschel, chairman of the board & president; Ronald C. Scaletta, v.p.-manufacturing; Ronald A. Ramirez, v.p.-marketing; Harmon W. Banning, v.p.-engineering; William J. Greenside, treasurer; Herbert J. Gildenhorn, secretary; Karen E. Peddicord, v.p.-administration & asst. secretary.

Directors: Bruno O. Weinschel, chairman; George Weinschel, Nathan Cohn, William M. Heiden.

Areas of Work: Engaged in the design and manufacture of microwave components and test and calibration instruments. Its products are sold primarily to the communications, aerospace and electronics industries, research and development and standards laboratories and various Government agencies.

Transfer Agent(s):

American Security Bank, N.A.
Washington, D.C. 20013

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	296	1978	239
1980	296	1977	212
1979	315		

Plant Footage:

1981	50,000 sq. ft.	1978	42,000
1980	50,000	1977	42,000
1979	50,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 14,062,351	$ 476,175
1980	11,727,740	230,382
1979	10,996,699	459,309
1978	8,790,712	271,897
1977	7,094,066	230,035

	No. of Com. Shares	Earn. per Share
1981	612,426	$ 0.78
1980	612,426	0.38
1979	612,426	0.75
1978	612,426	0.44
1977	612,426	0.38

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 4,351,247	$ 7.10
1980	3,875,072	6.33
1979	3,644,690	5.95
1978	3,185,381	5.20
1977	2,913,484	4.76

Income Account *

Year ended Oct. 31	1981	1980
Net sales	$ 14,062,351	$ 11,727,740
Cost of sales	7,395,905	6,426,620
Expenses	5,290,883	4,644,587
Oper. profit	$ 1,375,563	$ 656,533
Other income	136,628	117,104
Total	$ 1,512,191	$ 773,637
Other charges	717,755	440,038
Income before taxes	$ 794,436	$ 333,599
Income taxes	318,261	103,217
Net Income	$ 476,175	$ 230,382

* Included in Costs and Expenses, Depreciation and Amortization: $384,094 in 1981 and $303,329 in 1980.

Assets

As of Oct. 31	1981	1980
Cash	$ 92,359	$ 132,086
Due from officer	428,769	301,098
Accts. receiv., net	3,192,754	2,303,609
* Inventories	4,770,585	4,570,844
Prog. pay. receiv.	(540,707)	(126,585)
Other assets	89,154	79,979
Future income taxes	53,402	53,402
Current Assets	$ 8,076,316	$ 7,314,433
# Fixed assets	2,846,646	2,567,394
Other assets	78,091	82,378
Defer. charges	23,071	25,584
‡ Intangibles	10,200	20,200
Total Assets	$ 11,029,924	$ 10,009,989

Liabilities

	1981	1980
Notes payable	$ 470,000	$ 470,000
Long-term debt, curr.	295,796	232,622
Accts. payable	1,215,768	938,047
Adv. pay. from cust.	1,438,649	535,405
Accruals	258,464	208,982
Withheld taxes	34,814	28,989
Accrued payroll	298,502	243,467
Income taxes	196,729	68,153
Other taxes	2,293	2,141
Curr. Liabilities	$ 4,211,015	$ 2,727,806
Long-term debt	2,402,570	3,371,813
Deferred inc. taxes	65,092	35,298
+ Capital stock	314,998	314,998
Add. paid-in capital	537,654	537,654
Retained earnings	3,536,368	3,060,193
Treasury stock	(37,773)	(37,773)
Total Liabilities & Shareholders' Equity	$ 11,029,924	$ 10,009,989

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.65	2.84
%Net Income to Sales	3.39	1.96
%Net Income to Equity	10.94	5.95
Sales to Inventories	2.95	2.57
Working Capital	$ 386,301	$4,586,627
Current Ratio	1.92	2.68
Shareholders' Equity	$4,351,247	$3,875,072

Weldotron Corporation

1532 South Washington Avenue
Piscataway, New Jersey 08854
(201) 752-6700

Officers: Martin Siegel, president; Seymour G. Siegel, vice president-finance, secretary and treasurer; Seymour Zelnick, vice president-engineering; Albert W. Sanders, vice president & controller.

Directors: Martin Siegel, chairman; Seymour G. Siegel, Thomas E. Constance, Martin S. Sellinger, Seymour Zelnick, Isidore Siegel, Robert P. Gibbons, Albert H. Cohen.

Areas of Work: Develops and manufactures industrial packaging systems, including a line of packaging machinery and unit load handling systems for industrial applications; food packaging systems; electronic systems using infra-red light and radio frequency sensing fields for safety of automation; controls for monitoring high-speed machinery; audio/visual equipment for schools, industry and institutions.

Divisions and Subsidiaries:

Industrial Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Food Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Safety and Automation Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Educational Systems
237 Washington Avenue
Hackensack, New Jersey 07601

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WELD (NASDAQ)

Plant Footage:

1981 ...... 285,000 sq. ft.

Weldotron Corporation

Sales and Earnings

	Net Sales	Net Income
1981	$ 22,887,845	$ 536,308
1980	23,646,557	521,716
1979	20,642,481	379,489
1978	18,890,021	272,454
1977	18,920,111	353,057

	No. of Com. Shares ‡ ‡	Earn. per Share ‡ ‡
1981	693,031	$ 0.76
1980	709,096	0.73
1979	719,000	0.53
1978	719,000	0.38
1977	720,981	0.49

‡ ‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 5,416,381	$ 7.82
1980	4,942,002	6.97
1979	4,445,337	6.18
1978	4,065,848	5.65
1977	3,793,394	5.26

† Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1981	1980
Net sales	$ 22,887,845	$ 23,646,557
Other income	119,363	148,364
Total income	$ 23,007,208	$ 23,794,921
Cost of sales	16,330,158	17,486,575
Expenses	4,918,736	4,815,285
Depreciation & amortization	272,683	226,960
Interest expense	545,623	464,285
Income before taxes	$ 940,008	$ 801,816
Income taxes	403,700	280,100
Net Income	$ 536,308	$ 521,716

Assets

As of April 30	1981	1980
Cash	$ 265,090	$ 464,713
Accts. & notes receiv., net	4,797,152	5,566,583
*Inventories	6,688,395	5,998,326
Prepaid expenses	128,885	83,992
Other assets	312,090	308,467
Current Assets	$ 12,191,572	$ 12,422,081
#Fixed assets	1,450,734	1,406,189
Other assets	251,410	191,802
Total Assets	$ 13,893,716	$ 14,020,072

Liabilities

	1981	1980
Notes payable	$ 927,795	$ 1,219,765
Accts. payable	3,447,126	3,723,868
Accrued payroll	314,604	340,788
Cust. deposits	319,668	370,440
Other liabilities	594,305	418,051
Income taxes	317,028	160,800
Deferred inc. taxes	697,188	647,188
Curr. Liabilities	$ 6,617,714	$ 6,880,900
Long-term debt	1,621,194	1,985,743
Deferred inc. taxes	238,427	211,427
+Common stock	36,355	36,355
Add. paid-in capital	1,625,414	1,625,414
Retained earnings	3,865,592	3,329,284
Treasury stock	(110,988)	(49,051)
Total Liabilities & Shareholders' Equity	$ 13,893,716	$ 14,020,072

* At cost (LIFO).
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.11	3.39
%Net Income to Sales	2.34	2.21
%Net Income to Equity	9.90	10.56
Sales to Inventories	3.42	3.94
Working Capital	$5,573,858	$5,541,181
Current Ratio	1.84	1.81
Shareholders' Equity	$5,416,381	$4,942,002

Wells Benrus Corporation

901 Ethan Allen Highway
Ridgefield, Connecticut 06877
(203) 438-0333

Officers: Robert J. Romano, chairman of the board, chief exec. officer & treasurer; Ira L. Kasindorf, president & chief operating officer; Alex Novak, Murray Weiss, v.p.'s; F. Van S. Parr, secretary.

Directors: Robert J. Romano, chairman; Herman Fialkov, Sanford Kaplan, Ira L. Kasindorf, F. Van S. Parr, Alph B. Peterson, Leon S. Bishop.

Areas of Work: Engaged in the manufacture and sale of precision mechanical parts and components.

Subsidiary:

Precision Industrial Components Corporation
Ridgefield, Connecticut 06878

Manufactures and sells standardized precision mechanical components which include gears, bearings, shafts, fasteners, spacers, clutches, belts, pulleys, speed reducers, racks, couplings, springs and educational and experimental assortment kits.

Transfer Agent(s):

First Pennsylvania Bank, N.A.
First Penn Tower
Philadelphia, Pennsylvania 19101

Stock Exchange(s): American

Ticker Symbol: WEB

Sales and Earnings

	Net Sales †	Net Income +
1980	$ 8,831,000	$ 1,759,000
1979	7,834,000	(5,880,000)
1978	5,476,000	(15,927,000)
1977	5,596,000	(7,660,000)
1976	5,180,000	1,730,000

	No. of Com. Shares #	Earn. per Share + #
1980	3,061,120	$0.57
1979	1,661,120	—
1978	1,661,120	—
1977	1,661,120	—
1976	1,719,557	1.01

(Loss)
† Includes other income.
+ Including extraordinary gains of $809,000 ($0.26 per share) in 1980, $1,394,000 ($0.84 per share) in 1979, $753,000 ($0.44 per share) in 1976.
# Based on weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1980	1979
Net sales	$ 8,240,517	$ 7,464,221
Other income	590,059	369,980
Total income	$ 8,830,576	$ 7,834,201
Cost of sales	4,452,340	4,347,675
Expenses	2,673,097	1,975,542
Interest expense	585,987	727,996
Income before taxes	$ 1,118,552	$ 782,988
Income taxes	514,530	—
Income from cont. oper.	$ 604,022	$ 782,998
Income (loss) from discont. oper.	346,000	(8,057,092)
Net Income (Loss)	$ 950,022	$ (7,274,104)
Extraordinary gain	808,530	1,394,440
Net Income (Loss) & extraord. gain	$ 1,758,552	$ (5,879,664)

* Included in Costs and Expenses, Depreciation and Amortization: $92,905 in 1980 and $241,727 in 1979.

Assets

As of Jan. 31	1980	1979
Cash	$ 204,004	$ 289,288
Accts. & notes receiv. net	1,244,782	1,215,333
* Inventories	1,709,135	1,497,878
Other assets	104,881	187,395
Curr. assets held for dispos.	—	1,283,137
Current Assets	$ 3,262,802	$ 4,473,031
#Fixed assets	481,657	5,076,775
Investment	428,476	409,476
Defer. charges & other assets	43,850	119,750
Intangibles	208,004	208,004
Total Assets	$ 4,424,789	$ 10,287,036

Liabilities

	1980	1979
Long-term debt, curr.	$ 283,334	$ 480,504
Accts. payable	893,141	1,112,612
Accruals	691,788	796,198
Discont. oper. costs	363,429	2,345,545
Curr. Liabilities	$ 2,231,692	$ 4,734,859
Long-term debt	14,440,117	19,245,723
Defer. gain	409,111	933,000
Other liabilities	1,850,216	1,638,587
+ Conv. pref. stock	800,000	—
+ Common stock	2,065,911	1,665,911
Common conv. pref. stock issuable	—	1,200,000
Common stock warrants	234	—
Add. paid-in capital	9,613,628	9,613,628
Deficit	(26,958,327)	(28,716,879)
Treasury stock	(27,793)	(27,793)
Total Liabilities & Shareholders' Equity	$ 4,424,789	$ 10,287,036

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Wells-Gardner Electronics Corporation

2701 North Kildare Avenue
Chicago, Illinois 60639
(312) 252-8220

Officers: Albert S. Wells, Jr., president and chief executive officer; vice presidents: Allan Gardner-sales mgr., Aroon Chaddha-engineering, Arthur Greenslade-electronics production mgr., Merrill I. Nelson, dir. of materials; Anthony I. Blase, v.p., secretary & treasurer.

Directors: Anthony I. Blase, T.S. Corwin, Allan Gardner, Frank S. Righeimer, Jr., Albert S. Wells, Jr., James J. Roberts, Jr., William K Moloney.

Areas of Work: Engaged in the manufacture and assembly of television receivers, game monitors, game cabinets, and data display monitors.

Transfer Agent(s):

Harris Trust & Savings Bank of Chicago
111 West Monroe Street
Chicago, Illinois 60603

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WELT (NASDAQ)

Number of Employees:

1981	650	1978	390
1980	480	1977	326
1979	430		

Plant Footage:

1981	296,000 sq. ft.	1978	270,000
1980	270,000	1977	270,000
1979	270,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 79,455,000	$ 12,228,536
1980	28,708,000	3,129,480
1979	20,423,000	762,099
1978	14,016,000	(941,000)
1977	8,176,000	(2,976,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,575,591	$ 2.15
1980	3,434,092	0.91
1979	3,312,640	0.23
1978	3,312,640	—
1977	3,312,640	—

(Loss)

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split and stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	.1875	100%	—
1980	.0125	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1981	$ 13,753,504	$ 3.85
1980	6,367,789	1.85
1979	3,222,453	0.97
1978	2,460,354	0.74
1977	3,401,700	1.03

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split and stock dividend.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 79,454,636	$ 28,707,814
Cost of sales	62,137,181	24,105,846
Expenses	5,894,679	2,329,491
Other income	(969,981)	(1,062,421)
Interest expense	164,221	205,418
Net Income	$ 12,228,536	$ 3,129,480

* Included in Costs and Expenses, Depreciation: $239,130 in 1981 and $198,041 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 7,597,206	$ 3,172,758
Accts. receiv., net	12,442,878	4,911,069
* Inventories	5,380,352	2,337,970
Prepaid expenses	174,417	117,949
Current Assets	$ 25,594,853	$ 10,539,746
# Fixed assets	2,291,090	1,019,536
Total Assets	$ 27,885,943	$ 11,559,282

Liabilities

Long-term debt, curr.	$ 138,338	$ 207,000
Accts. payable	7,634,011	2,599,601
Accruals	1,384,964	1,004,613
Income taxes payable	4,408,441	—
Curr. Liabilities	$ 13,565,754	$ 3,811,214
Long-term debt	566,685	1,380,279
+ Common stock	3,555,830	878,960
Add. paid-in capital	335,466	257,015
Retained earnings	9,862,208	5,486,854
Treasury stock	—	(255,040)
Total Liabilities & Shareholders' Equity	$ 27,885,943	$ 11,559,282

* At cost (LIFO) which is less than market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Sales	15.39	10.90
%Net Income to Equity	88.91	49.15
Sales to Inventories	14.77	12.28
Working Capital	$12,029,099	$6,728,532
Current Ratio	1.89	2.77
Shareholders' Equity	$13,753,504	$6,367,789

Western Digital Corporation

2445 McCabe Way
Irvine, California 92714
(714) 557-3550

Officers: Charles W. Missler, chairman of the board, president & chief executive officer; Joseph Baia, v.p.-Assembly Operations; Michael J. Lewis, v.p.-finance, secretary & chief financial officer; Charles A. Von Urff, v.p. & general manager-Telecummonications Division; Luke W. Dru, v.p. & general manager-Computer Products Division; William E. Carlson, v.p. & general manager-Advanced Systems Division; Alan J. Mattal, v.p.-sales; Terry N. Holdt, v.p.-MOS operations; John J. Petersen, v.p.-engineering; James L. Hodges, v.p.-quality; William R. Benz, treasurer.

Directors: Charles W. Missler, chairman of the board; Joseph Baia, Donn B. Tatum, William C. May, John F. Hughes, James H. Langworthy, William B. Rieke.

Areas of Work: Engaged in the design, development, manufacture and sale of certain types of semiconductor products. Utilizing silicon gate MOS technology, develops abroad line of products and services which include over 100 semiconductor components and board level systems for use in the telecommunications, computer and industrial control markets.

Divisions:

Telecommunications Division
Addresses the digital communications market with proprietary products for interface logic, protocol control, and secure communications.

Computer Products Division
Manufactures file management devices and specialized 16-bit microprogrammed microprocessors.

Energy Management Systems Division
Involved in the application of microelectronics to replace mechanical and electro-mechanical controls.

Subsidiaries:

Western Digital (Malaysia) SDN BHD
Kuala Lumpur, Malaysia
Assembles semiconductor devices.

The Microengine Company
Newport Beach, California
Designs, manufactures and markets 16-bit microprocessor-based computer components and systems.

Western Digital Development Corporation
Irvine, California
Manages the Company's development financing program.

Controlled Energy, Inc.
Riverside, California
Designs, assembles and tests board level electronic systems, and digital thermostats.

Tahoe Design Center, Inc.
Tahoe City, California

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WDCL (NASDAQA)

Number of Employees:

1981 942

Plant Footage:

1981	193,200 sq. ft.	1979	50,000
1980	50,000		

Sales and Earnings

	Revenues	Net Income
1981	$ 27,010,000	$ (471,000)
1980	20,603,000	678,000
1979	10,322,000	1,000
1978	6,988,000	(541,000)
1977	4,703,000	(1,071,000)

	No. of Com. Shares	Earn. per Share
1981	13,559,883	$ —
1980	8,504,192	0.05
1979	8,168,830	—
1978	8,172,917	—
1977	1,405,630	—

(Loss)

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 35,138,000	$ 2.59
1980	3,545,000	0.42
1979	1,629,000	0.20
1978	1,620,000	0.20
1977	(3,677,000)	—

(Deficiency)

Income Account *

Year ended June 30	1981	1980
Net sales	$ 23,926,000	$ 20,351,000
Interest	2,199,000	—
Other revenue	885,000	252,000
Total revenue	$ 27,010,000	$ 20,603,000
Cost of sales	17,486,000	11,519,000
Expenses	9,755,000	6,474,000
Interest expense	240,000	960,000
Income (loss) before taxes	$ (471,000)	$ 1,650,000
Income taxes	—	972,000
Net Income (loss)	$ (471,000)	$ 678,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,023,000 in 1981 and $908,000 in 1980.

Assets

As of June 30	1981	1980
Cash	$ 1,549,000	$ 111,000
Short-term investments	16,868,000	—
Accts. rec., net	7,528,000	4,966,000
*Inventories	7,511,000	6,692,000
Prepaid expenses	517,000	50,000
Deferred state inc. taxes	153,000	153,000
Current Assets	$ 34,126,000	$ 11,972,000
#Fixed assets	8,976,000	1,825,000
Other assets	1,525,000	222,000
Total Assets	$ 44,627,000	$ 14,019,000

Liabilities

Long-term debt, curr.	$ 521,000	$ 1,483,000
Accounts payable	3,683,000	2,745,000
Accruals	1,033,000	774,000

Western Digital Corporation

Income taxes	—	247,000
State income taxes	2,833,000	478,000
Current Liabilities	$ 8,070,000	$ 5,727,000
Long-term debt	1,419,000	4,747,000
+Common stock	1,356,000	850,000
Add. paid-in capital	33,575,000	2,017,000
Retained earnings	208,000	679,000
Treasury stock	(1,000)	(1,000)
Total Liabilities & Shareholders' Equity	$ 44,627,000	$ 14,019,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.11
%Net Income to Sales	—	3.33
%Net Income to Equity	—	19.13
Working Capital	$26,056,000	$6,245,000
Current Ratio	4.23	2.09
Shareholders' Equity	$35,138,000	$3,545,000

Western Marine Electronics Company

905 Dexter Avenue North
Seattle, Washington 98109
(206) 285-2420

Officers: Bruce H. Blakey, president; Cheryl Owens, vice president & treasurer.

Directors: Bruce H. Blakey, Donald Faulkner, Cheryl Owens, Susan Sudderth, Wells B. McCurdy.

Areas of Work: Designs, manufactures and sells marine sonar equipment and industrial ultrasonic measuring devices and equipment, all of which are based on the principle of measuring distances by means of sound traveling through water or air.

Divisions and Subsidiaries:

Marine Group
Marketing division for equipment ranging from commercial fishing sonar to highly precise research sonar.

Industrial Group
Included in the product lines are 25 types of industrial level measurment and control equipment; Automated Material Handling equipment and vapor detection and flow measurement and control equipment.

Industrial Systems Division
Markets larger level measurement and control equipment, such as the LM2000 and the Automated Material Handling Systems.

Pacific Marine Leasing

Wesmar International (DISC)

Wesmar Marine Center, Inc.
Operates 22 retail outlets selling the company's marine electronic products.

Transfer Agent(s):

Rainier National Bank
P.O. Box C22407
Seattle, Washington 98124

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WMAR (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1981	$ 7,332,495	$ 1,599,469
1980	6,806,324	614,283
1979	6,766,668	872,885
1978	9,189,243	2,136,286
1977	8,165,623	1,831,635

	No. of Com. Shares #	Earn.per Share #
1981	1,077,573	$ 1.48
1980	1,093,691	0.56
1979	1,102,025	0.79
1978	1,104,000	1.94
1977	1,104,000	1.66

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1981	$0.15	5%	—
1980	0.15	—	—
1979	—	1%	—
1978	0.15	—	—
1977	0.15	—	3-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 8,629,726	$ 8.01
1980	7,613,818	6.96
1979	7,618,648	6.86
1978	6,951,366	6.24
1977	4,980,680	4.15

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1981	1980
Net sales	$ 6,935,924	$ 6,503,728
Cost of sales	3,052,635	2,967,433
Expenses	3,394,030	2,915,608
Gain on sale of bldg.	(1,359,639)	—
Interest income	(396,571)	(302,596)
Income before taxes	$ 2,245,469	$ 923,283
Income taxes	646,000	309,000
Net Income	$ 1,599,469	$ 614,283

* Included in Costs and Expenses, Depreciation: $391,776 in 1981 and $435,600 in 1980.

Assets

As of Sept. 30	1981	1980
Cash	$ 2,655,962	$ 2,468,376
Accts. receiv., net	820,220	725,913
Notes receiv.	1,700,000	—
*Inventories	2,414,600	2,174,366
Prepaid income taxes	39,369	89,021
Prepaid expenses	37,610	48,606
Current Assets	$ 7,667,761	$ 5,506,282
# Fixed assets	2,482,304	2,867,850
Total Assets	$ 10,150,065	$ 8,374,132

Liabilities

Accts. payable	$ 825,602	$ 448,718
Accrued taxes	105,737	115,596
Curr. Liabilities	$ 931,339	$ 564,314
Deferred inc. taxes	589,000	196,000
+Common stock	697,747	697,747
Retained earnings	8,201,617	7,426,388
Treasury stock	(269,638)	(510,317)
Total Liabilities & Shareholders' Equity	$ 10,150,065	$ 8,374,132

*At lower of average cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	32.37	14.20
%Net Income to Sales	23.06	9.45
%Net Income to Equity	18.53	8.07
Sales to Inventories	2.87	2.99
Working Capital	$6,736,422	$4,941,968
Current Ratio	8.23	9.76
Shareholders' Equity	$8,629,726	$7,613,818

Western Microwave Laboratories, Inc.

1271 Reamwood Avenue
Sunnyvale, California 94086
(408) 734-1631

Officers: Ken Schoniger, president & chief executive officer; R.A. Craig, v.p.-engineering; E.V. Lanes, vice president & treasurer; Robert Latta, secretary.

Directors: M.C. Hone, H.E. Rumsey, J.K. Leidecker, W.H. Kuntz.

Areas of Work: Develops and manufactures microwave ferrite components (isolators and circulators) and microwave integrated components (RF front end assemblies, mixers, isolator couplers and image reject mixers) for commercial and military applications.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Number of Employees:

1980	75	1977	75
1979	89	1976	65
1978	84		

Plant Footage:

1980	25,000 sq. ft.	1977	16,700
1979	25,000	1976	14,000
1978	16,700		

Sales and Earnings

	Net Sales #	Net Income ‡
1981	$ 3,130,322	$ (213,288)
1980	3,457,903	101,214
1979	3,064,579	216,540
1978	2,701,228	126,423
1977	2,101,256	(12,426)

	No. of Com. Shares	Earn. per Share ‡
1981	1,017,665	$ —
1980	1,005,999	0.10
1979	1,005,899	0.21
1978	946,291	0.13
1977	942,041	—

‡ Including extraordinary gains of $27,309 ($0.03 per share) in 1980, $83,000 ($0.08 per share) in 1979, and $47,000 ($0.05 per share) in 1978.
# Of continuing operations only.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,295,858	$ 1.27
1980	1,499,997	1.49
1979	1,398,645	1.39
1978	1,151,968	1.22
1977	1,023,430	1.09

Income Account *

Year ended Sept. 30		1981		1980
Net sales	$	3,130,322	$	3,457,903
Cost of sales		2,473,829		2,512,090
Expenses		927,399		861,362
Other income		(49,970)		(26,422)
Interest expense		3,552		6,012
Income (loss) bef. taxes	$	(224,488)	$	104,861
Income taxes (credit)		(11,200)		30,956
Net Income (loss)	$	(213,288)	$	73,905
Extraord. gain		—		27,309
Net Income (loss) & extraord. gain	$	(213,288)	$	101,214

* Included in Costs and Expenses, Depreciation and Amortization: $134,110 in 1981 and $151,507 in 1980.

Assets

As of Sept. 30		1981		1980
Cash	$	138,271	$	225,243
Accts. receiv., net		392,874		471,679
Notes receivable		9,057		21,273
*Inventories		781,779		650,424
Prepaid expenses		26,627		40,405
Deferred taxes		17,600		6,200
Current Assets	$	1,366,208	$	1,415,224
#Fixed assets		306,527		337,764
Other assets		5,564		9,755
Total Assets	$	1,750,119	$	1,799,708

Liabilities

Long-term debt, curr.	$	17,644	$	17,056
Accts. payable		231,532		197,973
Accruals		83,182		67,882
Provision for anticipated contract losses		100,000		—
Curr. Liabilities	$	432,358	$	282,911
Long-term debt		21,903		16,800
+Common stock		101,766		100,599
Add. paid-in capital		1,407,380		2,400,171
Retained earnings (deficit)		(213,288)		(1,000,773)
Total Liabilities & Shareholders' Equity	$	1,750,119	$	1,799,708

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.03
%Net Income to Sales	—	2.14
%Net Income to Equity	—	4.93
Sales to Inventories	4.00	5.32
Working Capital	$ 933,850	$1,132,313
Current Ratio	3.16	5.00
Shareholders' Equity	$1,295,858	$1,499,997

Western Pacific Industries Inc.

345 Park Avenue
New York, New York 10154
(212) 751-6464

Officers: Howard A. Newman, chairman of the board & chief executive officer; William C. Scott, president; Roger F. Haskell, v.p. & treasurer; Clarke Brinckerhoff, secretary; Michael Greenberg, v.p. & controller; J.J. Smith, v.p.-finance; Clare Chervenak, asst. secretary.

Directors: Howard A. Newman*, chairman, A. Leon Fergenson*, Anson C. Pyle, Robert H. Haines*, Robert V. Hansberger, Robert A. Kavesh, Joseph R. McCormick, Lionel I. Pincus, William C. Scott*, Jerry I. Speyer, Howard Stein, Robert G. Stone, Jr., Robert L. Tetro.

* Member of Executive Committee.

Areas of Work: Owns four operating companies which supply precision products, equipment and parts to industry throughout the world.

Subsidiaries:

Veeder-Root Company
Hartford, Connecticut

Designs, manufactures and markets equipment to measure, indicate, record, count and control any motion that can be sensed by mechanical, electrical and electronic inputs, or through the flow of liquids or gases.

Veeder-Root Limited
Dundee, Scotland

Veeder-Root do Brasil
Sao Paulo, Brasil

Veeder-Root GmbH
Stuttgart, West Germany

Veeder-Root of Canada Limited
Toronto, Canada

Veeder-Root (Australia) Pty Limited
Melbourne, Australia

Veeder-Root S.A.R.L.
Paris, France

Holo-Krome Company
West Hartford, Connecticut
Anaheim, California

Manufactures and markets hexagon-socket screws and special headed parts needed by a wide range of industries, such as machinery, machine tools, electronics, office equipment and transportation.

HoloKrome Limited
Dundee, Scotland
Birmingham, England

Holo-Krome Australia Pty Limited (51% owned)
Melbourne, Australia

Mac-it Company
Lancaster, Pennsylvania

Iseli Company
Terryville, Connecticut
Walworth, Wisconsin

Produces precision parts for such products as watches, cameras, missiles, cigarette lighters, electronic instrument, and automotive systems.

A.L. Hyde Company
Grenloch, New Jersey

Manufactures industrial plastic moldings for such applications as natural gas pipe fittings, marine pumps and battery cases; extruded thermoplastic rod, tube and sheet for customer fabrications and machining.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: WPI

Number of Employees:

1981	4,000	1979	5,560
1980	5,110	1978	4,500

Plant Footage:

1981	1,822,000 sq. ft.	1979	1,778,000
1980	1,855,000	1978	1,710,000

Sales and Earnings

		Net Sales † (000's)		Net Income † (000's)
1981	$	220,265	$	30,097
1980		249,278		28,889
1979		194,522		29,143
1978		148,254		(46,799)
1977		123,161		20,233

	No. of Com. Shares	Earn. per Share # †
1981	2,319,442	$ 12.95
1980	2,349,442	11.68
1979	2,615,542	10.64
1978	3,061,116	—
1977	3,163,995	6.34

(Loss)
† Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

		1981		1980
Counting devices	$	151,197	$	181,545
Industrial precision fasteners		40,810		39,522
Industrial precision components		28,258		28,211
Total	$	220,265	$	249,278

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$ —	—	—
1980	—	—	—
1979	23.75	—	—
1978	1.00	—	—
1977	0.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 116,526,000	$ 50.24
1980	87,681,000	37.32
1979	69,261,000	26.48
1978	123,543,000	40.36
1977	178,128,000	56.30

Income Account *
(000's)

Year ended Dec. 31		1981		1980
Net sales	$	220,265	$	249,278
Cost of sales		135,682		150,749
Expenses		42,695		42,793
Invest. income		(16,124)		(4,449)
Interest expense		8,403		4,122
Other expense (income)		(40)		1,717
Income before taxes	$	49,649	$	54,346
Income taxes		19,552		25,457
Net Income	$	30,097	$	28,889

* Included in Costs and Expenses, Depreciation and Amortization: $6,779,000 in 1981 and $9,055,000 in 1980.

Assets
(000's)

As of Dec. 31		1981		1980
Cash	$	126,110	$	52,732
Marketable securities		16,296		6,863
Accts. receiv., net		31,714		33,527
*Inventories		33,394		45,265
Other assets		5,173		5,416
Current Assets	$	212,687	$	143,803
#Fixed assets		25,115		26,546
Other assets		5,073		1,814
Total Assets	$	242,875	$	172,163

Liabilities
(000's)

Bank loans	$	1,522	$	2,599
Long-term debt, curr.		3,235		668
Accts. payable & accruals		29,187		27,771

Income taxes	12,037	19,997
Curr. Liabilities	$ 45,981	$ 51,035
Long term debt	76,014	26,487
Other liabilities	4,354	6,960
+Common stock	3,411	3,411
Add. paid-in capital	61,940	61,940
Retained earnings	91,403	61,306
Treasury stock	(40,228)	(38,976)
Total Liabilities & Shareholders' Equity	$ 242,875	$ 172,163

* Domestic at cost (LIFO) not in excess of market; foreign at standard cost.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	22.54	21.80
%Net Income to Sales	13.66	11.59
%Net Income to Equity	25.83	32.95
Sales to Inventories	6.60	5.51
Working Capital	$166,706,000	$92,768,000
Current Ratio	4.63	2.82
Shareholders' Equity	$116,526,000	$87,681,000

Westinghouse Canada Inc.

(93.3% owned by Westinghouse Electric Corporation)

286 Sanford Avenue North
P.O. Box 510
Hamilton, Ontario, Canada L8N 3K2
(416) 528-8811

Officers: Douglas C. Marrs, chairman of the board; Franz H. Tyaack, president & chief executive officer; Gerd O. Bernhardt, v.p.-Components & Industry Services Divisions; Robert H. Broad, treasurer; Laurence K. Burke, comptroller; James K. Carman, v.p.-strategic resources & external affairs; Richard M. Daniel, v.p.-Transformer & Nuclear Products Division; Ingram B. Gillmore, v.p.-Manitoba-Saskatchewan District; Iain W.M. Hendry, v.p., secretary & general counsel; J. Douglas Keppy, asst. treasurer; Charles A. Kain, v.p.-Electronics and Industrial Products Divisions; William Kostyshyn, v.p.-Turbine & Generator Division; Thomas H. Lawrason, asst. secretary; Cevil F. MacNeil, v.p.-Switchgear & Control Division; Alexander A. McArthur, director-corporate communications; William J. McNicol, v.p.-corporate resources; Jack Nairn, v.p.-marketing & sales; Raymond A. Plouffe, v.p.-Quebec District; Frank D. Priestly, v.p.-Alberta District & Energy Resource Center; Edward B. Priestner, v.p.-operations; J. Arthur Reid, v.p.-British Columbia District; Owen C. Shewfelt, v.p.-finance; Edwin A. Taylor, v.p.-human resources; George Wilkinson, v.p.-utility sales; John R. Williamson, v.p.-Atlantic District.

Directors: E.J. Cattabiani, A.E. Downing, L.Y. Fortier, D.I.W. Bruce, A.T. Lambert, W.P. Pigott, D.C. Marrs, L.W. Yochum, M.J. McDonough, R.W. Campbell, F.H. Tyaack, J.C. Marous, D.D. Stark.

Areas of Work: Manufactures a wide range of electrical apparatus, electronic equipment, lighting and mechanical products, including steam and gas turbines, switchgear, industrial controls, transformers, motors, meters, instruments, relays, panelboards, switchboards, elevators, power and control centers and electric heating products; air conditioners, semiconductors, lighting systems, incandescent, fluorescent and mercury vapor lamps; electronics products, systems and engineering consulting services for commercial and defense applications; fluid power products and systems; nuclear fuels, special nuclear components, and atomic reactor components. The Company also conducts research in the field of atomic energy.

Divisions and Subsidiaries:

Power Systems Group

Turbine and Generator Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3K2
(416) 528-8811

Transformer and Distribution Apparatus Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3K2
(416) 528-8811

Atomic Power Division
P.O. Box 510
606 Aberdeen Avenue
Hamilton, Ontario L8N 3K2
(416) 528-8811

Utility Sales Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3K2
(416) 528-8811

Industrial Group

Motor Division
P.O. Box 510
286 Burlington Street East
Hamilton, Ontario
(416) 528-8811

Switchgear and Control Division
P.O. Box 510
606 Aberdeen Avenue
Hamilton, Ontario
(416) 528-8811

Industry Services Division
P.O. Box 510
717 Woodward Avenue
Hamilton, Ontario
(416) 528-8811

Industrial Products Division
P.O. Box 370
160 Vanier Street
Saint-Jean, P.Q.
(514) 347-5361

Components and Construction Group

Lamp Interior Lighting and Outdoor Lighting Division
P.O. Box 1089
3350 Royale Boulevard
Trois-Rivieres, P.Q.
(819) 378-6161

Electronics Systems Division
P.O. Box 510
175 Longwood Road South
Hamilton, Ontario
(416) 582-8811

Air Conditioning Division
492 Speers Road
Oakville, Ontario
(416) 844-0244

Elevator Division
1 Westside Drive
Etobicoke 653, Ontario
(415) 622-1020

WESCO-Westinghouse Sales & Distribution Co.
801 York Mills Road
Don Mills 404, Ontario
(416) 445-0550

Transfer Agent(s):

National Trust Co. Limited
21 King Street E.
Toronto, Ontario, Canada M5C 1B3

Stock Exchange(s): Toronto

Ticker Symbol: CWH

Number of Employees:

1981	7,600	1978	7,300
1980	7,300	1977	7,400
1979	7,000		

Sales and Earnings ‡

	Net Sales	Net Income #
1981	678,730,000	30,351,000
1980	570,115,000	29,812,000
1979	496,253,000	26,049,000
1978	398,299,000	8,691,000
1977	430,962,000	15,429,000

	No. of Com. Shares	Earn. per Share # +
1981	2,683,389	11.31
1980	2,683,389	11.11
1979	2,683,389	9.71
1978	2,683,389	3.24
1977	2,683,384	5.75

‡ In Canadian dollars.
# Including extraordinary gain of $416,000 ($0.16 per share) in 1978, extraordinary charges of $812,000 ($0.30 per share) in 1979.
+ Based on the number of shares outstanding at the end of each month.

Revenues By Line of Business
(000's)

	1981	1980
Power systems	$ 236,557	$ 176,888
Industrial products	186,709	159,831
Components & construction	120,656	116,321
WESCO Sales & Distribution Company	303,007	256,578
Other	4,750	3,770
Total	$ 851,679	$ 713,388
Elimination of intergroup sales	(172,949)	(143,273)
Other revenues	—	3,770
Total	$ 678,730	$ 570,115

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.00	—	—
1980	2.50	—	—
1979	2.00	—	—
1978	1.50	—	—
1977	1.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 191,870,000	$ 71.50
1980	169,569,000	63.19
1979	146,465,000	54.58
1978	125,783,000	46.88
1977	121,117,000	45.14

Income Account
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 678,730	$ 570,115
Cost of sales	610,969	509,342
Depreciaton	8,591	6,815
Interest expense	7,398	1,326
Income before taxes	$ 51,772	$ 52,632
Income taxes	21,421	(22,820)
Net Income	$ 30,351	$ 29,812

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 367	$ 598
Accts. receiv., net	125,440	93,359
*Inventories	151,515	133,355
Other assets	2,820	2,034
Current Assets	$ 280,142	$ 229,346
#Fixed assets	75,477	65,431
Invest. & other assets	5,677	3,019
Total Assets	$ 361,296	$ 297,796

Liabilities
(000's)

Bank indebtness	$ 47,767	$ 13,181
Long-term debt	400	—
Accts. payable & accruals	91,915	87,392
Curr. Liabilities	$ 140,082	$ 100,573
Long-term debt	15,257	15,657
Deferred inc. taxes	14,087	11,997
+Common stock	14,947	14,947
Retained earnings	176,923	154,622
Total Liabilities & Shareholders' Equity	$ 361,296	$ 297,796

* At lower of cost and net realizable value, less progress billings received on account.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.63	9.23
%Net Income to Sales	4.47	5.23
%Net Income to Equity	15.82	17.58
Sales to Inventories	4.48	4.28
Working Capital	$140,060,000	$128,773,000
Current Ratio	2.00	2.28
Shareholders' Equity	$191,870,000	$169,569,000

Westinghouse Electric Corporation

Westinghouse Building
Gateway Center
Pittsburgh, Pennsylvania 15222
(412) 255-3800

Officers: Robert E. Kirby, chairman & chief exec. officer; Douglas D. Danforth, vice chairman & chief operating officer.

Power Systems Company: Gordon C. Hurlbert, president; E.J. Cattabiani, exec. v.p.-power generation; Theodore Stern, exec. v.p.-nuclear energy systems; B.W. Morrison, v.p.-power systems marketing; N.A. Beldecos, v.p.-Power Generation Operations Div.; James S. Moore, v.p.-Water Reactor Divisions; Harry Weingarten, v.p.-Transformer Divisions; Joseph W. Baker, v.p.-Switchgear Divisions.

Industry Products Company: Edwin V. Clarke, Jr., president; D.D. Stark, exec. v.p.-components & materials; Robert P. Wagner, exec. v.p.-industry equipment; W.O.Carlsen, v.p.-Distribution Products Div.; Jack J. Sherman, Jr., v.p.-Industry Services Divisions; Paul E. Lego, exec. v.p.-Electronics & Control; Glen E. Nietfeld, pres.-Westinghouse Electric Supply Co.; Gary M. Clark, v.p.-Industry Products Marketing; James C. Sheehan, pres.-Thermo King Corp.; Philip F. Dietz, v.p.-Lamp Divisions.

Public Systems Company: Thomas J. Murrin, president; William A. Coates, exec. v.p.-construction; H.B. Smith, exec. v.p.-defense; H. Joe Frazier, pres.-community development; D.W. Neukranz, pres.-Westinghouse Elevator Co.; Barton S. Brodkin, pres.-Beverage Group; R.V. Gavert, Jr., exec. v.p.-learning & leisure.

Westinghouse Broadcasting Company: Daniel L. Ritchie, chairman, president & chief exec. officer; Leo W. Yochum, sr. exec. v.p.-finance; M.J. McDonough, sr. exec. v.p.-corp. resources; John B. Ferguson, v.p. & controller; Harry F. Murray, v.p.-pension investments & investor relations; Donald C. Korb, v.p. & treasurer; Robert F. Pugliese, v.p. general counsel & secretary; George F. Michlin, v.p. research & development; Donald J. Provejsil, v.p.-corporate planning; August W. Frisch, v.p. & gen. tax counsel; J.R. McClester, pres.-Westinghouse Credit Corp.; Nicholas V. Petrou, v.p.; David L. Trezise, v.p.-personnel; Francis P. Cotter, v.p.-gov't affairs; Earle W. DuBois, v.p.-corp. relations; L. Jerry Hudspeth, v.p.-corp. productivity; Richard L. Reinhart, v.p.-human resources; Samuel F. Davies, Jr., v.p.-Atlantic Region; John E. Goetz, Jr., v.p.-Western Region; David L. Litten, v.p.-Midwestern Region; William S.A. McIntyre, v.p.-Central Region; Charles D. Paine, v.p.-Southwestern Region; Howard J. Thomas, v.p.-Northeastern Region; J. Stanley Wyble, v.p.-Southeastern Region.

International: John C. Marous, Jr., president; C.A. Sadlow, president, Europe, Middle East & Africa; A.L. Bethel, president, Latin America; C.F. Obermesser, president, Asia-Pacific; F.H. Tyaack, president, Westinghouse Canada Inc.; Clovis F. Obermesser, president, Asia-Pacific.

Directors: R. Burt Gookin*, Donald F. Hornig, Robert E. Kirby*, John F. McGillicuddy, Roger Milliken*, Richard R. Pivirotto, Douglas D. Danforth, David T. McLaughlin*, O. Pendleton Thomas, Hays T. Watkins, Barbara H. Franklin, William H. McMurren.

* Member of the Executive Committee.

Areas of Work: The principal business activity of Westinghouse is the manufacture and sale of equipment for the generation, transmission, utilization and control of electricity. Included among the products of the Corporation are electrical and mechanical equipment required by power companies, railroads, city transit systems and industrial plants, propulsion and electrical equipment for the United States Navy and the marine industry; electrical and electronic systems, instrumentation and other equipment for the aerospace industry.

Westinghouse develops, designs and furnishes nuclear power plants, equipment and fuel for the generation of electricity.

Some Westinghouse products, such as motors and control devices, are used by other manufacturers as components for their products. The Corporation is an important manufacturer of military products for the United States Government.

Westinghouse supplies products to the construction industry and engages in conventional construction activities. It also is engaged in land development and sales.

Westinghouse Broadcasting Company owns and operates 12 radio stations and six television stations. Teleprompter, acquired in 1981 operates a nationwide cable TV system serving 1.6 million basic subscribers.

Westinghouse Learning Corporation offers various educational services and materials to schools; sells language instruction courses.

In leisure activities Westinghouse subsidiaries bottle and distribute various soft drink brands; manufacture, assemble and sell wrist watches and other timepieces under the Longines-Wittnauer, LeCoultre and Jubilee trade names.

Westinghouse Credit Corporation engages in the extension of credit in transactions secured by real or personal property and in leasing transactions including leverage leasing.

Westinghouse is engaged in the distribution outside the United States of electrical and other products, primarily those manufactured by Westinghouse. Such distribution is accomplished through a wholly owned subsidiary and through company representatives and independent distributors. The corporation also has a number of subsidiaries outside the United States, the majority of which are engaged in the manufacture and sale of electrical generation, transmission, utilization and control equipment, and consumer products.

Electronics & Related Divisions & Subsidiaries:

Advanced Reactors Division
Waltz Mill, Pennsylvania
Development of advanced designs and concepts of commercial atomic power, including breeder reactors. Comprehensive services in chemical analyses and postirradiation analyses and examination of nuclear fuel and reactor components.

Aerospace and Electronic Systems/Systems Development Divisions
Baltimore, Maryland
Producer of airborne and surface-based radars, communications, command and control, and related electronic systems. Aerospace activities include development and production of sophisticated avionics systems. These include advanced airborne ECM systems, weapon delivery systems, electro-optical systems for reconnaissance and remote sensing, and airborne surveillance radar for airborne early warning and control. Surface-based activities include tactical and shipboard radars, range instrumentation systems, strategic defense systems, and air traffic control systems. Military command and control systems, tactical and strategic communications, displays, and computer systems.

Aerospace Electrical Division
Lima, Ohio
Electric power systems, generator, motors, control apparatus, power conditioning and conversion equipment, and support equipment for military and commercial aircraft, missiles, spacecraft, undersea and ground vehicles.

Astronuclear Laboratory
Large, Pennsylvania
Nuclear, power-reactor and isotope for space, terrestrial, underseas, and other advanced applications; high temperature materials development, and testing and application, thermoelectric environmental control systems, Silicon Carbide devices, non-destructive test equipment, high temperature thermocouples.

Bryant Division
Bridgeport, Connecticut
Wiring Devices; switches, receptacles, wall plates, plugs, connectors, lampholders and starters; outdoor fixtures for reflector backed lamps and photo electric controls; circuit breakers and load centers; ground fault protectors and multimetering; electric heating; baseboard, ceiling cable, unit heaters, duct heaters, strip heaters, wall heaters.

Computer and Instrumentation and Industry Systems Divisions
Pittsburgh, Pennsylvania
Complete Digital, Analog and combined process control systems and related services for application in the following areas: Automative; Adaptive Control; Batch Blending; By-Products; Chemical; Cement; Communication; Data Acquisition, Collection and Processing; Dispatching and Distribution; Display; Electronic Component Testing; Environmental Measurements: Fluid Flow, Pressure, Temperature and Level; Gas Distribution; Glass; Heating and Air Conditioning; Machine Tool-Direct Numerical; Marine; Metallurgical; Mining and Ore Processing; Oxygen Monitoring and Control; Petro-Chemical; pH and Conductivity; Plastics, Pollution; Power Generation, Transmission and Distribution; Process Industries; Pulp and Paper; Refineries; Rubber; Security; Scientific; Security and Environmental; Steel; Supervisory; Systems Field Engineering; Customer Training; Traffic; Warehousing and Inventory; Water and Waste Treatment.

Control Products Division
Beaver, Pennsylvania
Control for motors; starters, contactors, relays, pushbuttons; safety switches and enclosed breakers. Numalogic Solid State Control.

Distribution Apparatus Division
Bloomington, Indiana
Capacitors; lightning arresters; fuse cutouts; surge protection devices; reclosers; vacuum circuit breakers; air loadbreak switches; oil switches; T-Tap switches, linetraps; potential devices.

Electric Distribution Laboratory
Coral Springs, Florida
Constant testing and evaluation conducted under actual living environmental conditions with variables introduced by the resident population, weather, etc., encompasses 70 homes and apartments in a new city subdivision permitting use of the latest technology in electric power distribution without traditional hindrance from normal constraints such as codes and legal requirements.

Electromechanical Division
Cheswick, Pennsylvania
Main coolant pumps, valves, control rod drive mechanisms, and other specialized apparatus for nuclear reactors; pumps for controlled circulation boilers.

Electronic Systems Support Division
Cockeysville, Maryland
Nuclear Instrumentation and Control Systems-military and commercial; Integrated Logistics Support Systems-technical training operations, supply support, maintenance planning, field integration and services, support equipment, technical data, facility planning; Electronic Protection Systems-for government and industry.
Westinghouse Elevator Company
Millburn, New Jersey
Manufacturing, sales, service, modernization and maintenance of elevators, escalators and walkways.

General Control Division
Buffalo, New York
Motor starters and controllers; special purpose control; control components; pilot devices; transfer switches.

Chicago, Illinois
Control centers and Type W Jr. group control.

Westinghouse Electric Corporation

Industry Equipment Division
Sykesville, Maryland
Electric arc welders; electronic beam welders; electrodes, accessories; brazing alloys; Laser systems; power sources. Induction heating equipment, ultrasonic devices for cleaning and processing equipment.

Industrial Systems Division
Buffalo, New York
Design and project management of large electrical drive systems and products for the industrial process and manufacturing systems and all the general industries. Component groupings include adjustable speed drives, crane drives, inverters, rectifiers, programmable controllers, numerical control and automatic material handling systems.

Industry Services Division
Pittsburgh, Pennsylvania

Apparatus Service Divisions
Pittsburgh, Pennsylvania
60 apparatus service plants and 75 engineering services locations strategically located domestically to service all industries around the clock. Modern facilities and engineering skills are available to maintain, repair and modernize mechanical and electrical equipment regardless of original manufacture. Also manufacturing and repair and engineering services are available at various locations throughout the world.

Westinghouse Instrument Service Co.
Atlanta, Georgia
Instrumentation and control capabilities include installatjon, calibration, commissioning, start-up, maintenance, instrumentation repair facilities.

Westinghouse Non-Current Renewal Parts and Special Products Plant
Pittsburgh, Pennsylvania
Manufacturer of Specialty products including non-current apparatus and parts. Product lines include: A.C. and D.C. motors and gearmotors, transportation motors, industrial control, pushbuttons, knife switches, circuit breakers, pantagraphs, bolt heaters and carbon brushes.

Marine Division
Sunnyvale, California
Marine propulsion steam turbines and reduction gears; ship's service turbine generator sets: Nuclear components manufacture, Electrical, mechanical and shock mitigation components for missile and rocket programs, missile launching and handling equipment, sub-sea oil well equipment.

Meter Division
Raleigh, North Carolina
Watthour, demand, recording meters, sockets and accessories. Pulse equipment for electric utility automated system analysis, planning, billing and environmental monitoring, and range timers.

Power Systems Planning
Advanced Systems Technology
Pittsburgh, Pennsylvania
Provides a large library of digital power system planning and analysis programs available through mail order consulting or via remote terminals. Operates Anacom analogue computer for transient analysis, mobile laboratories for field transient measurements, oscillography lab for field use, electromagnetic compatibility measurements. Contracts research and development services, from feasibility studies to project management and construction, for prototype systems in generation, transimission and distribution.

Relay-Instrument Division
Newark, New Jersey
Electrical measuring instruments of all types; protective relays and relaying systems; relay instrument switch-boards; control and data systems.

Research Laboratories
Pittsburgh, Pennsylvania
Basic and applied research in chemistry, physics, mathematics, energy systems, solid state sciences, solid state devices, materials, materials processing, instrumentation, systems, communication, control electronics, power electronics, oceanography, and georesearch. Work done primarily in support of Westinghouse operating divisions, but also conducts contract research for the U.S. Government.

Semiconductor Division
Youngwood, Pennsylvania
Silicon rectifier diodes, silicon controlled rectifiers, silicon power transistors, silicon rectifier and controlled rectifier assemblies.

Specialty Transformer Division
Greenville, Pennsylvania
Cores: specialty transformer, Saturable core inductor, Navy dry type transformers; constant voltage and filtering transformers; load centers 30 kva and below.
Switchgear Division
East Pittsburgh, Pennsylvania
Assembled switchgear; high voltage fuses, network protectors; generator voltage regulators and automatic synchronizers; disconnect switches, substation structures, switchgear components, medium and low voltage air circuit breakers; control switches (type W); switchgear accessories; draw-out load interrupter switchgear.

Transformer Divisions:

Large Power Transformer Division
Muncie, Indiana
Power transformers above 30,000 kva: liquid immersed shunt reactors above 10,000 kvar, regulating and furnace transformers above 30,000 kva.

Medium Power Transformer Division
Sharon, Pennsylvania
Power transformers 10,001 to 60,000 kva; substation transformers 5,001 to 10,000 kva; grounding and rectifier transformers; dry type distribution transformers; dry type power center transformers 112-1/2 to 2500 kva; regulating and furnace transformers 30,000 kva and below; current and potential transformers; metering units.

Small Power Transformer Division
South Boston, Virginia
Liquid immersed (oil or Inerteen) auto transformers, network transformers; pad-mounted transformers; substation transformers and underground transformers 501 to 5,000 kva, and power center (secondary unit substations) 112-1/2 to 2500 kva.

Overhead Distribution Transformer Division
Athens, Georgia
Overhead liquid immersed distribution transformers.

Underground Distribution Transformer Division
Jefferson City, Missouri
Underground distribution transformers and equipment.

Oceanic Division
Annapolis, Maryland
Surveillance; sonar detection; data handling and display; instrumentation; oceanographic systems and equipment; flow meters; life support equipment; underwater systems, equipment and associated support items; torpedoes; advanced weapons; mine, weapon and CW countermeasures.

Westinghouse Tele-Computer Systems Corporation
Pittsburgh, Pennsylvania
A wide range of user-oriented problem-solving services involving both manual and computer-based information systems. Computing services, consulting services, data processing services, software services, tele-communications services; warehouse information systems.

Compagnie des Dispositifs Semiconducteurs
Westinghouse S.A.
B.P. 107
Avenue George-Durand
72 Le Mans, France
Assemblies, silicon rectifier and controlled rectifier; battery chargers; battery charging control; bridges, silicon rectifier and controlled rectifier, power supplies, and battery chargers; rectifier assemblies; rectifier diodes, silicon; semiconductors; silicon controller rectifier; silicon rectifiers.

Fusibles Westinghouse de Puerto Rico, Inc.
Luquillo, Puerto Rico
Power fuses.

Induselet, S.A.
Osasco, S.P., Brazil
Circuit breakers; enclosed circuit breakers; power centers; reactors; substations, CSP, transformers, distribution; transformers, power.

Marimi and Aminelli S.A.
Sao Paulo, Brazil
Disconnect switches; automated circuit breakers; push buttons; minimum oil circuit breakers; power fuses; bus duct; outdoor disconnect switches; switchboard and cubicles.

Semiconductors Westinghouse, Inc.
Gurabo, Puerto Rico
Medium and high power thyristors rectifiers and bridge assemblies.

Servicios Industriales Westinghouse
Una Division de Venwesa
Apartado 542
Zona Industrial
Maracaibo, Venezuela
Room air conditioners; circuit breakers; control centers; group control; motor controls; power, regulating, synchronizing systems; freezers; fuses, power; motors; network protectors; network protector relays; panelboards; power centers; power centers for construction applications; refrigerators, domestic; regulators; relators, feeder voltage; repair service; static exciters; substation structures; substations; switchboards; switches; switchgear, accessories switchgear, assembled; synchronizers, generator; transformers, distribution; power transformers; turbine supervisory instrumentation.

Standard-Waygood, Ltd.
P.O. Box 13 Miowera Road
Willawood, N.S.W., 2163, Australia
Electrical adjustable speed drives, hi-torque assemblies, silicon rectifier and controlled rectifier, bus duct; circuit breakers; control centers; control, crane and defense; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control, numerical; control systems, electrical; drives, adjustable speed, electrical; induction heating equipment; installation supervision, electrical apparatus; instructional services; inverters, staticlarge dc motors; network protectors; network protector relays; numerical control; panelboards; power centers; power supplies, dc and battery chargers; reactors; rectifier assemblies; rectifier equipment, power, regulated systems; regulators, feeder voltage; service, electric (field engineering); substations, CSP; switchboards; switchgear; systems, industrial; transformers; self-contained power, unit substations.

Transformadores Westinghouse, Inc.
P.O. Box 127
Road 30, K.M.6.0.Barrio Rincon
Gurabo, Puerto Rico 00658
Transformers for general purpose applications.

Tubos Electronicos Westinghouse, Inc.
P.O. Box 127
Road 30. M.6.0. Barrio Rincon
Gurabo, Puerto Ric 00658
Electronic tubes.

Tyree Industries, Ltd.
P.O. Box 315
Liverpool, N.S.W. 2170, Australia
Capacitors; line traps, carrier; potential devicers, capacitor; reactors; power transformers; distribution transformers; instrument transformers.

Westinghouse Breakers, Inc.
Puerto Rico
Manufacture and assembly of circuit breakers.

Westinghouse Canada Limited
286 Sanford Avenue North
P.O. Box 510
Hamilton, Ontario, Canada
Adjustable speed drives-electrical; adjustable speed drives-mechanical, air cleaning units; air conditioners; central air conditioning; air handling lighting fixtures; air handling units; airport lighting regulators (solid state); lighting arresters; audio tone relaying systems; automatic dispatching control; automatic transfer switches; ballasts, lighting; bases, light bulb and electron tube; battery charging control; blowers; bus duct; bus, high voltage; capacitors; carrier relaying systems; circuit breakers; circuit breakers, molded case, loadcenter, circuit breakers, vacuum; commercial lighting; computerized metering systems; computers, digital; conductors, copper and aluminum; contactors, ac and dc; control centers; control components; control components, ac; control components, ac and dc; control, crane and defense; control devices; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control numerical; control special purpose; control, standard; control systems, electrical; control systems, chemical properties; control systems, electrical; control systems, chemical properties; control systems, combustion, flow and level, pressure and differential pressure, temperature-temperature difference; controls for motors; controls, supervisory and telemetering; cores for transformers; cutouts, fuse; dehumidifiers, residential; direct current HV transmission equipment systems; dishwashers; displays, CRT alphanumeric and graphical (WAND) ® drives; drum controllers; dry cleaners, commercial dryers electric and gas; duct heaters, gas and electric; Dumet (copperclad); electric stairways; electric space heaters, baseboard heaters; electric walks; electric tubes; electrostaticair filters; Precipitron ®, elevators, electric geared and gearless, hydraulic; enclosed circuit breakers; energy storage equipment; environmental data systems; fans; filaments, tungsten, fluorescent lamps; food waste dis-

posers; freezers, fuses and fuse links; fuses power; gas turbines, land; gear units; gearmotors; gears, railway; ground fault protectors; heaters, electric; heaters, portable; housewares, electric; blankets, blenders, can openers, coffee makers, knives, food mixers, fry pans, hair stylers, irons, kettles, toasters, automatic; hydraulic products; industrial lighting; infra-red heaters, electric; installation supervision, electrical apparatus; instructional services; instrument auxiliary equipment; instruments, analog; integrated circuits; interlocks; inverters, static; lamps; Laundromat ® automatic washers; lead-in wires, lamp and electronic tube; lighting, outdoor fluorescent, incandescent, mercury vapor, quartz, sodium; lighting fixtures; lighting, interior lighting, specialty interior; lights, indicating control; line tracing electronic systems(Linatrol ®); line traps, carrier, liquid dielectrics, oil and Inerteen ® ; load centers, circuit breaker; mercury lighting; metals; Hi-purity single crystal; meter accessories, watthour, meters, demand; meters, mine-hoists friction treads. Westoflex ® ; mine-hoists (Select-A-Level ®); molybdenum-wire, rod, powder; motor starters and controllers; motors, ac integral hp, thru frame 449T; multimetering; network protectors; network protector relays; numerical control; panel instruments; panelboards; phonographs; photo-electric controls; pilot devices; pilot wire relaying systems; portable instruments; potential devices, capacitor; power centers; power centers for construction applications; power supplies, dc; power supplies, dc and battery chargers; protective devices, surge; protective relays, electromechanical and solid state; protective relays, general purpose overboard control; pulse recorders; pulse totalizing equipment; pumping control, duplex, irrigation, oil well; push-buttons; radios; ranges, electric; range timers (consumer); reactors; reactors, charging; reactors, saturable core reclosers; recording instruments; rectifier equipment, power; reflectors, outdoor lighting; refrigeration; refrigerators, domestic; regulated systems; regulators; feeder voltage; relaying systems; relay-instrument switchboards; relays; relays, protective, solid state, and electromechanical; relays, solid state; relays for roadway lighting; repair service; roadway lighting safety switches; sectionalizers, automatic line; service, electric (field engineering); sewage treatment plants, packages; sockets and mountings, meter, sonar devices; speciality lighting products; speed measuring systems; speed reducers; stabilized camera and sensor mounts with high resolution, (WESSCAM ®); starters for electric motors; static exciters; steam laboratory demonstration unit; steam turbine generators, land; Sterilamp equipment; strip heaters; substation structures; substations; CSP, surge protection equipment; supervisory control and telemetering; switchboard instrument; switchboards, relay-instrument; switchboards; switches, switches for roadway lighting; switches, load pick-up; switchgear; switchgear assembles with mini-oil circuit breakers up to 35kv; switchgear accessories; switchgear, assembled; switch houses; systems, industrial; synchronizers, generator, systems, relaying and supervisory control; tape recorders; terminal blocks; thorium; thyristor drives and power supplies (water-cooled); timers, ranger (consumer); transducers, current; transducers, instrument; transfer instrument; transfer switches, automatic transformers, dry type; transformers for roadway lighting; transformer protective devices; transformers, distribution; transformers, power, transformers, specialty; translation equipment turbine supervision instrumentation; tubing glass and quatz, T.V. unit heaters, electric; unit substations, self-contained; ventilating sets; water-cooled lighting fixtures; water coolers; water heaters; water tank thermostats; wire-Dumet; wire forms; wire, magnet; wiring devices.

Westinghouse de Venezuela, S.A.
Div. Pantallas de Television
Apartado 1889
Caracas, Venezuela

Electronic tubes, TV picture tubes.

Westinghouse S.A.
Avenida Jose Antonio 10
Madrid 14, Spain

Circuit breakers, panelboards, ac motors, dc motors, distribution transformers, metal enclosed switchgear, motor control centers, nuclear power plant generators, power transformers, station arresters, synchronous motors. Thermalastic insulation system, transportation control systems, turbo generators, static voltage regulators.

Transfer Agent(s):

Chemical Bank (common & preferred stock)
Corporate Trust Department
P.O. Box 25966
Church Street Station
New York, New York 10249

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Crocker National Bank
P.O. Box 38005
Rincon Annex
San Francisco, California 94138

Mellon Bank, N.A.
Stock Transfer Department
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York, Boston, Philadelphia, Mid Pacific.

Ticker Symbol: WX

Number of Employees:

1981	150,000	1978	141,776
1980	145,513	1977	141,394
1979	145,254		

Plant Footage:

1981	48,231,900 sq.ft.	1978	48,231,900
1980	48,231,900	1977	48,231,900
1979	48,231,900		

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1981	$ 9,367,500	$ 438,000
1980	8,514,300	402,900
1979	7,443,100	(73,900)
1978	6,779,800	243,000
1977	6,221,100	250,800

	No. of Com. Share ‡	Earn. per Share ‡†
1981	85,892,648	$ 5.10
1980	85,365,035	4.71
1979	85,875,985	—
1978	86,411,345	2.81
1977	87,328,526	2.86

(Loss)
+ Of continuing operations only.
† Including extraordinary losses of $405,000,000 ($4.72 per share) in 1979, $67,900,000 ($0.78 per share) in 1978 and $20,500,000 ($0.24 per share) in 1977.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Power systems	$ 3,205,300	$ 2,998,200
Industry products	3,479,000	3,227,400
Public systems	2,527,400	2,245,200
Broadcasting	431,900	266,500
Other	120,500	115,400
Intersegment	(396,700)	(338,400)
Total	$ 9,764,200	$ 8,852,700

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.80	—	—
1980	1.40	—	—
1979	0.972	—	—
1978	0.972	—	—
1977	0.972	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1981	$2,820,700,000	$ 32.84
1980	2,529,900,000	29.81
1979	2,250,000,000	26.47
1978	2,423,000,000	28.24
1977	2,277,821,000	26.34

‡ After allowing for preferred stock at par value.
# Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 9,367,500	$ 8,514,300
Other income	154,000	128,000
Total income	$ 9,521,500	$ 8,642,300
Cost of sales	7,089,800	6,486,400
Expenses	1,500,600	1,352,700
Depreciation	219,000	185,000
Interest expense	142,600	61,700
Income taxes	129,700	151,500
Minority interest	1,800	2,100
Net Income	$ 438,000	$ 402,900

Assets
(000's)

As of Dec. 31	1981	1980
Cash & Marketable securities	$ 693,600	$ 853,300
Accts. receiv., net	1,615,400	1,475,200
Costs in excess of billings	249,700	254,000
*Inventories	1,141,000	1,013,100
Prepaid & other current assets	612,500	525,400
Current Assets	$ 4,312,200	$ 4,121,000
Investments	608,600	704,000
#Fixed assets	2,539,600	1,714,100
Other assets	855,800	276,300
Total Assets	$ 8,316,200	$ 6,815,400

Liabilities
(000's)

Long-term debt.curr. & short-term loans	$ 736,300	$ 138,100
Accts. payable	574,700	470,900
Billings in excess of costs	1,331,900	1,273,900
Other current liabilities	1,557,800	1,385,700
Curr. Liabilities	$ 4,200,700	$ 3,268,600
Debentures & other debts	695,200	323,900
Minority interest	39,900	29,900
Other liabilities	543,600	647,000
+ Preferred stock	16,100	16,100
+ + Common stock	277,100	277,100
Add. paid-in capital	508,700	503,900
Retained earnings	2,114,300	1,830,000
Treasury stock	(79,400)	(81,100)
Total Liabilities & Shareholders' Equity	$ 8,316,200	$ 6,815,400

* At LIFO or current standard costs, which approximate actual or average cost.
# Less accumulated depreciation.
+ $100 par value.
+ + $3.125 par value.

Statistical Summary

%Net Income to Sales	4.68	4.73
%Net Income to Equity	15.44	15.82
Sales to Inventories	8.21	8.40
Working Capital	$ 111,500,000	$ 852,400,000
Current Ratio	1.03	1.26
Shareholders' Equity	$2,836,800,000	$2,546,000,000

Wheelabrator-Frye Inc.

Liberty Lane
Hampton, New Hampshire 03842
(603) 926-5911

Officers: Michael D. Dingman, chairman of the board and president; James E. Donlan, Stephen A. Furbacher, Paul M. Montrone, exec. v.p.'s; Thomas M. Begel, Gary M. Cypres, Harold S. Eastman, Robert W. Page, Steven Shulman, Marc I. Stern, John A. Tillinghast, sr. v.p.'s; V. Dean Freese, Stephen G. Cerri, group v.p.'s; Thomas R. Emblad, Walter Flowers, Harold T. McCormick, Joseph E. O'Callaghan, Norman R. Ritter, v.p.'s; William V. Buccella, general counsel; Owen F. Leonard, treasurer; Josephine D. Clarizio, secretary; Salvatore Caltagirone, controller.

Directors: Michael D. Dingman, chairman; Philip E. Beekman, Edward A. Montgomery, Jr., Albert E. Rising, Jr., James R. Shepley, Arthur Temple, John B. Connally, Rawleigh Warner, Jr., John C. van Eck, Fritz K. Zopf.

Areas of Work: Designs, manufactures and markets engineering and construction services with respect to large scale, highly technical engineered systems which are integral to basic industrial processes, and in energy and environmental control fields; also manufactures engineered components, transportation equipment and chemical and specialty products. Engineered systems include fabric-filter systems and electro-static precipitators for removing particulate pollution from gases; sulfur-dioxide removal systems: permanently installed and portable nonpolluting abrasion systems for cleaning a variety of surfaces (Wheelabrators); metal processing and chemical processing systems; and parts and supplies relating to these products. Engineered components include industrial fans and blowers, cranes, material handling systems, precision and industrial bearings, high and low pressure for electrical generation, electronic and electro-mechanical components and devices for control applications, water and waste water treatments and processing equipment, fluid and gas measuring devices and other industrial products. Engineering services include, through the M.W. Kellogg Co., Rust Engineering Co., the Swindell-Rust Division and Nichols Engineering and Research Corporation, the engineering and erection of process technologies and plants in the oil, gas, pulp and paper, nitrogen fertilizer, plastics and petro-chemical industries. Energy systems include the development of systems to utilize alternative energy sources such as synthetic fuels and solid waste energy. Transportation equipment includes, through the Pullman Standard Division, the manufacture and leasing of railroad freight cars, and through Whiting Corporation, railroad switching prime movers and railroad maintenance equipment. Chemical and speciality products include urethane products, pigments, varnishes, dispersions and color flushes, resins, reproduction papers, computer ribbons and other products using the carbonizing process; and lithographic blankets and plates for the printing industry.

Electronics Division:

Sigma Instruments
Braintree, Massachusetts
Supervisory control systems for electric utility transmission networks, stepping motors for photo-electric switches and control systems.

Transfer Agent(s):

Mellon Bank, N.A.
Stock Transfer Section
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York, Pacific

Ticker Symbol: WFI

Number of Employees:

1980 . . . . . . 25,000 1979 16,000

Plant Footage:

1980 . . . . . . 11,003,000 sq.ft. 1979 8,000,000

Sales and Earnings

	Net Revenues	Net Income
1981	$1,548,332,000	$ 91,350,000
1980	1,166,300,000	55,300,000
1979	946,923,000	42,675,000
1978	780,809,000	37,017,000
1977	619,072,000	28,040,000

	No. of Com. Shares †	Earn. per Share †
1981	20,002,803	$ 4.78
1980	12,136,492	4.31
1979	10,638,543	3.72
1978	10,647,167	3.15
1977	10,854,730	2.51

† Based on the average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Engineered systems	$ 289,153	$ 304,980
Engineered components	532,370	397,094
Engineering services	445,983	198,422
Chemicals & Specialty products	280,826	265,804
Total	$ 1,548,332	$ 1,299,673

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.60	—	—
1980	1.40	—	—
1979	1.20	—	—
1978	1.00	—	—
1977	0.88	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1981	$ 612,406,000	$ 30.61
1980	567,105,000	46.73
1979	223,397,000	21.00
1978	210,544,000	19.77

‡ Allowing for preferred stock at stated value.
† Based on the average number of common shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net revenues	$ 1,548,332	$ 1,166,300
Cost of sales	1,178,472	879,780
Expenses	278,545	203,703
Minority interest	(30,582)	16,357
Other expense	4,219	21,574
Income before taxes	$ 117,678	$ 77,600
Income taxes	(27,616)	(27,797)
Cont'd oper.	$ 90,062	$ 49,803
Discont'd oper.	1,288	5,497
Net Income	$ 91,350	$ 55,300

* Included in Costs and Expenses, Depreciation and Amortization: $28,157 in 1981 and $21,959 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 257,184	$ 227,491
Receivables, net	271,333	262,646
*Inventories	165,872	160,286
Prepaid expenses	41,284	64,167
Investments	26,000	—
Net assets	50,300	116,223
Current Assets	$ 811,973	$ 830,813
Investments	615,676	655,148
#Fixed assets	288,402	261,436
Other assets	43,586	49,232
Total Assets	$ 1,759,637	$ 1,796,629

Liabilities
(000's)

Notes payable and long-term debt	$ 3,881	$ 21,319
Accts. payable	65,985	108,480
Accruals	323,130	274,649
Advance payments	309,342	327,673
Income taxes	23,962	25,596
Stock dividend payable	26,000	—
Curr. Liabilities	$ 752,300	$ 757,717
Long-term debt	205,230	252,610
Deferred inc. taxes	63,192	80,053
+ Preferred stock	126,509	139,144
+ + Common stock	5,369	5,221
Add. paid-in capital	393,752	378,645
Retained earnings	225,736	197,675
Treasury stock	12,451	(14,436)
Total Liabilities & Shareholders' Equity	$ 1,759,637	$ 1,796,629

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
+ + $0.30 par value.

Statistical Summary

%Net Income to Equity	12.36	7.83
Working Capital	$ 59,673,000	$ 73,096,000
Current Ratio	1.07	1.09
Shareholders' Equity	$738,915,000	$706,249,000

Whirlpool Corporation

Benton Harbor, Michigan 49022
(616) 925-5000

Officers: John H. Platts, chairman of the board & chief executive officer; Herbert K. Anspach, president; Jack D. Sparks, vice chairman; Robert B. Willemin; E. Allen Baillif, Samuel M. Bateman, Robert L. Brintnall, John M. Crouse, Robert J. Flautt, Lowell G. Holder, Richard F. Koch, Leo R. Montgomery, Charles D. Putnam, Andrew J. Takacs, Guy Turner, Stephen E. Upton, Lloyd A. Wampach, George E. Wardeberg, vice presidents; William Houseal, asst. secretary; William E. Naylor, asst. treasurer.

Directors: Sidney L. Boyar, Herbert K. Anspach, Victor A. Bonomo, Roy D. Chapin, Jr., John H. Platts, Robert C. Upton, John H. Gerstenmaier, Bert E. Phillips, Robert A. Burnett, Jack D. Sparks, Jack B. St.Clair, Robert B. Willemin.

Areas of Work: Manufactures home and commercial appliances, including microwave ovens, washers, dryers, refrigerators, ice makers, coolers, vacuum cleaners, ovens, dishwashers, dehumidifiers, freezers, central heating equipment, air conditioners and trash compectors.

Subsidiaries:

Heil-Quaker Corporation
Lewisburg, La Vergne & Nashville, Tn.
Produces furnaces, heaters and central electric air conditioners.

Appliance Buyers Credit Corporation
Benton Harbor, Michigan
A wholly owned finance subsidiary.

Brastemp, S.A.
Sao Paulo, Brazil

Consul S.A.
Joinville, Brazil

Embraco, S.A.
Joinville, Brazil

Inglis Limited
Toronto, Canada

Transfer Agent(s):

Harris Trust and Savings Bank
Stock Transfer Division
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: WHR

Number of Employees:

1981	19,312	1978	22,285
1980	23,106	1977	23,573
1979	24,746		

Plant Footage:

1981	11,575,000 sq.ft.	1978	20,600,000
1980	11,575,000	1977	20,600,000
1979	11,575,000		

Sales and Earnings

	Net Sales +	Net Income
1981	$2,437,091,000	$ 125,560,000
1980	2,225,696,000	101,699,000
1979	2,234,726,000	110,878,000
1978	2,049,542,000	99,607,000
1977	1,899,510,000	109,750,000

	No. of Com. Shares	Earn. per Share
1981	36,264,728	$ 3.46
1980	36,238,195	2.81
1979	36,200,442	3.06
1978	36,175,212	2.75
1977	36,150,000	3.04

Revenues By Line of Business

	1981	1980
Home laundry appliances	$ 871,170,000	$ 830,273,000
Home refrigeration & room air conditioning	1,023,836,000	909,988,000
Other household appliances	370,180,000	347,468,000
Other products & services	171,905,000	137,967,000
Total	$2,437,091,000	$2,225,696,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.60	—	—
1980	1.40	—	—
1979	1.35	—	—
1978	1.20	—	—
1977	1.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 791,829,000	$ 21.83
1980	723,658,000	19.97
1979	671,929,000	18.56
1978	609,461,000	16.[illegible]
1977	552,761,000	15.29

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net sales	$ 2,437,091	$ 2,225,696
Eq. in earn. of affil. cos.	22,190	12,264
Other income	45,549	28,872
Total income	$ 2,504,830	$ 2,266,832
Cost of sales	1,979,176	1,803,115
Expenses	280,677	263,451
Interest expense	5,642	7,022
Income before taxes	$ 239,335	$ 193,244
Income taxes	104,100	88,200
Inc.—cont. oper.	$ 135,235	$ 105,044
Loss—discont. oper.	(9,675)	(3,345)
Net income	$ 125,560	$ 101,699

* Included in Costs and Expenses, Depreciation and Amortization: $50,957,000 in 1981 and $47,405,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash & comm. paper	$ 277,330	$ 263,342
Receiv., net	156,169	140,533
Def. inc. taxes	12,708	12,363
*Inventories	256,546	281,598
Prepaid expenses	5,743	5,948
Current Assets	$ 708,496	$ 703,784
Investments & other assets	147,355	115,390
#Fixed assets	278,121	255,347
Total Assets	$ 1,133,972	$ 1,074,521

Liabilities
(000's)

	1981	1980
Notes payable	$ —	$ 564
Accts. payable	74,824	91,043
Accruals	53,829	45,118
Accrued payroll & other compen.	64,627	58,931
Income taxes	36,601	46,643
Product warranty	17,790	16,834
Curr. Liabilities	$ 247,671	$ 259,133
Long-term debt	60,848	60,848
Product warranty	17,309	15,235
Deferred inc. taxes	16,315	15,647
+ Common stock	36,265	36,238
Add. paid-in capital	23,484	22,891
Retained earnings	732,080	664,529
Total Liabilities & Shareholders' Equity	$ 1,133,972	$ 1,074,521

* At lower of cost (LIFO & FIFO) or market. Large appliances stated at LIFO, remainder at FIFO.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

	1981	1980
%Net Income to Equity	15.86	14.05
Sales to Inventories	9.50	7.90
Working Capital	$430,825,000	$444,651,000
Current Ratio	2.86	2.72
Shareholders' Equity	$791,829,000	$723,658,000

Whitehall Corporation

2659 Nova Drive
Dallas, Texas 75229
(214) 247-8747

Mailing address:

P.O. Box 29709
Dallas, Texas 75229

Officers: Lee D. Webster, chairman of the board and president; W.D. Raymond, vice president & treasurer; Carl R. Anderson, v.p. & controller; George M. Pavey, vice president; George Slover, Jr., secretary.

Directors: Lee D. Webster, chairman; George M. Pavey, Robert B. Gilmore, John A. Crichton, Henry I. McGee, Jr., J.L. Huffines, Jr.

Areas of Work: Divided into three groups: Earth Sciences, Aerospace, and Electronic Components. The earth sciences group designs and develops undersea acoustic devices, passive sonar, and oceanographic research systems for commercial and military use, and land seismic devices for the [illegible]ry. The aerospace division performs contract mainte[illegible] modification on aircraft for the U.S. Navy and [illegible]. The electronic components division markets quart[illegible] computer and communications equipment manufacturers.

Divisions and Subsidiaries:

Crystek Crystals Corporation
1000 Crystal Drive
Fort Myers, Florida 33901
(813) 936-2100

Crystek Microelectronics Division
2659 Nova Drive
Dallas, Texas 75229
(214) 247-7072

Seismic Engineering Company
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581

Seismic Export Corporation
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581

Rogers Explorations, Inc.
3616 West Alabama
Houston, Texas 77027
(713) 621-2611

Hydroscience, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-9052

Seismic Exploration International, S.A.
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581

Geophysical Data Processing Center, Inc.
3616 West Alabama
Houston, Texas 77027
(713) 961-4561

Aero Corporation
Lake City, Florida 32055
(904) 752-7911

Transfer Agent(s):

National Bank of Commerce
Dallas, Texas

Stock Exchange(s): American

Ticker Symbol: WHT

Number of Employees:

1981	1,457	1978	1,379
1980	1,428	1977	1,416
1979	1,464		

Plant Footage:

1981	781,000 sq. ft.	1978	775,000
1980	755,000	1977	680,000
1979	765,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 53,910,743	$ 4,906,268
1980	45,554,477	1,876,508
1979	35,017,243	1,349,156
1978	32,970,822	1,422,159
1977	29,274,667	1,250,150

	No. of Com. Shares ‡	Earn. per Share ‡
1981	3,762,756	$ 1.30
1980	3,762,756	0.50
1979	3,684,190	0.37
1978	3,664,420	0.39
1977	3,552,318	0.35

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1981	1980
Electronic components	$ 3,111,000	$ 4,516,000
Geophysical equipment & exploration service	33,114,000	29,083,000
Aircraft repair & maintenance	17,686,000	11,955,000
Total	$ 53,911,000	$ 45,554,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	2-for-1

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡
1981	$ 18,795,000	$ 5.00
1980	13,889,000	3.69
1979	12,013,000	3.19
1978	10,377,000	2.95
1977	9,190,000	2.59

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 53,910,743	$ 45,554,477
Other inc. (expense)	(197,634)	319,811
Total Income	$ 53,713,109	$ 45,874,288
Cost of sales	39,690,918	37,670,976
Expenses	4,920,761	4,023,106
Interest expense	1,291,162	1,346,698
Income before taxes	$ 7,810,268	$ 2,833,508
Income taxes	2,904,000	957,000
Net Income	$ 4,906,268	$ 1,876,508

* Included in Costs and Expenses, Depreciation and Amortization: $3,317,264 in 1981 and $3,061,734 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 3,131,001	$ 2,244,085
Accts. receiv., net	7,847,323	7,529,359
*Inventories	5,796,133	4,724,388
Prepaid expenses	1,553,315	1,972,117
Current Assets	$ 18,327,772	$ 16,469,949
#Fixed assets	15,711,479	12,726,822
Intangibles	—	280,940
Total Assets	$ 34,039,251	$ 29,477,711

Liabilities

	1981	1980
Notes payable	$ 3,479,000	$ 5,636,000
Long-term debt., curr.	423,228	471.061
Accts. payable & accruals	6,479,189	5,305,912
Income taxes	2,178,764	1,236,021
Curr. Liabilities	$ 12,560,181	$ 12,598,994
Long-term debt	1,227,039	1,650,654
Deferred inc. taxes	1,456,700	1,339,000
+Common stock	377,376	188,688
Add. paid-in capital	1,053,211	1,053,211
Retained earnings	17,391,315	12,673,735
Treasury Stock	(26,571)	(26,571)
Total Liabilities & Shareholders' Equity	$ 34,039,251	$ 29,477,711

* At cost (FIFO) not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1981	1980
%Income bef. Taxes to Sales	14.49	6.22
%Net Income to Sales	9.10	4.12
%Net Income to Equity	26.10	13.51
Sales to Inventories	9.30	9.64
Working Capital	$ 5,767,591	$ 3,870,955
Current Ratio	1.46	1.31
Shareholders' Equity	$18,795,000	$13,889,000

Whittaker Corporation

10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-9411

Officers: Eaton W. Ballard, chairman of the board; Joseph F. Alibrandi, president & chief executive officer; Harry S. Derbyshire, executive v.p., chief financial officer & treasurer; Daniel Hoffmann, v.p. & chief accounting officer; Joseph Kleiman, Paul B. Dinkel, sr. v.p.'s; Alan D. Jacobson, sr. v.p. & secretary; Frank C. Buhlman, Jean d'Aligny d'Assignies, George H. Hunter, Jr., Stanley K. Weissberg, Ernest L. Park, Gregory T. Parkos, William G. Christmas, Edward J. Howey, Robert W. Murray, Philip C. Heeter, Charles V. Rice, v.p.'s; Ronald C. Moss, v.p. & controller.

Directors: Joseph F. Alibrandi*, Joseph Kleiman*, Sanford Kaplan*, Harry S. Derbyshire* , Eaton W. Ballard*, J. Dewey Daane, Walter B. Gerken, Robert Reznick* Edmund R. Ackell, John C. West, Frank J. Rauscher Jr., Carl E. Hartnack*.

* Member of Executive Committee.

Areas of Work: The Company is involved in five separate areas: metals, technology, marine and recreation, life sciences and chemicals. Products include alloys, steels, tubular metal products, metal castings, fabricated metal products; biomedical research and testing, biomedical equipment, pollution monitoring systems; yachts, special-purpose craft, hydraulic equipment, fluid controls, electronic equipment, high energy batteries, irrigation equipment, pyrotechnics and propellants, fastener products; industrial finishes, plastics products and rubber-to-metal adhesives.

Electronics & Related Divisions & Subsidiaries:

Acrodyne/Dynasciences
516 Township Line Road
Blue Bell, Pennsylvania 19422
(215) 542-7000
Television transmitters and translators.

Bennes Marrel S.A.
Zone Industrielle
42160-Andrezieux-Bouthéon
France
Trucking tipping bodies and packing units; bulk handling equipment; solid waste handling and compacting systems; airport service and maintenance equipment; hydraulic power and control systems; power steering and power transmission equipment.

Electronic Resources Division
100 East Tujunga Street
Burbank, California 91502
(213) 843-5770
High temperature coaxial cables; electronic components and subsystems; mechanical and electronic counters.

Shock Hydrodynamics Division
4716 Vineland Avenue
North Hollywood, California 91602
(213) 985-6940
Computer simulation studies; explosive forming and bonding; flash x-ray and ultra high speed photographic instrumentation; research and development.

Bermite Division
22116 West Soledad Canyon Road
Saugus, California 91350
(805) 259-2241
Electrochemical devices and propulsion systems; flares, igniters and initiators; fuses; and pyrotechnic devices.

Tasker Systems Division
20131 Sunburst Street
Chatsworth, California 91311
(213) 341-3010
Air traffic control systems; antenna tracking devices; radar simulators; radar tracking devices; tactical radar jammers; electronic components and subsystems.

Yardney Electric Corporation
82 Mechanic Street
Pawcatuck, Connecticut 06397
(203) 599-1100
High-energy density batteries, high-intensity portable lights; battery chargers and control systems; marine emergency beacons; irrigation system filters.

Whittaker Controls Division
12838 Saticoy Street
North Hollywood, California 91605
(213) 765-8160
Valves, actuators and pumps for aircraft hydraulic, pneumatic and fuel systems; electronic proximity switches.

Falcon Research and Development
109 Inverness Drive East
Englewood, Colorado 80112
(303) 771-0818
Research and development, computer simulation studies and high speed photography.

Transfer Agent(s):
South Pacific National Bank (common & preferred stock)
333 South Hope Street
Los Angeles, California 90071

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): New York, Pacific

Ticker Symbol: WKR

Number of Employees:

1981	17,000	1978	13,800
1980	16,600	1977	12,600
1979	14,500		

Plant Footage:

1981	9,000,000 sq. ft.	1978	7,465,000
1980	9,000,000	1977	7,697,000
1979	7,999,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1981	$ 1,676,837	$ 69,328
1980	1,396,225	57,504
1979	1,073,634	46,773
1978	883,843	31,648
1977	719,979	15,981

	No. of Com. Shares #	Earn. per Share #
1981	15,619,000	$ 4.40
1980	14,597,000	3.90
1979	14,069,000	3.28
1978	13,864,000	2.24
1977	14,679,000	1.05

Based on average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1981	1980
Metals	$ 394,700	$ 376,000
Technology	270,200	284,700
Marine	147,100	136,700
Chemical	115,800	120,800
Life Sciences	744,000	478,000
Total	$ 1,671,800	$ 1,396,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$1.40	—	—
1980	1.00	—	—
1979	0.425	—	—
1978	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1981	$ 332,195,975	$ 22.23
1980	275,964,915	19.53
1979	217,141,440	17.28
1978	173,597,500	14.49
1977	143,662,715	12.40

‡ After allowing for $1.25 and $5 cumulative convertible preferred stock at redemption values of $35 and $100.

Income Account *
(000's)

Year ended Oct. 31	1981	1980
Net sales	$ 1,671,837	$ 1,396,225
Cost of sales	1,305,704	1,109,227
Expenses	197,586	153,990
Interest expense	16,112	14,835
Interest income	(3,165)	(1,075)
Minority interest	18,586	13,609
Income before taxes	$ 137,014	$ 105,639
Income taxes	67,686	48,135
Net Income	$ 69,328	$ 57,504

* Included in Costs and Expenses, Depreciation and Amortization: $19,920,000 in 1981 and $17,220,000 in 1980.

Assets
(000's)

As of Oct. 31	1981	1980
Cash	$ 40,895	$ 46,617
Time deposits	25,514	19,059
Receiv., net	247,338	227,006
Deferred taxes	7,626	9,050
*Inventories	294,907	251,355
Prepaid expenses	3,251	1,855
Current Assets	$ 619,531	$ 554,942
Notes receiv.	17,030	13,665
#Fixed assets	178,122	167,525
Goodwill	38,407	38,906
Miscellaneous	14,005	9,495
Total Assets	$ 867,095	$ 784,533

Liabilities
(000's)

	1981	1980
Notes payable	$ 12,174	$ 14,596
Long-term debt, curr.	20,005	13,583
Accts. payable	121,164	104,072
Accruals	97,016	90,696
Income taxes	66,320	52,680
Advances	64,180	81,769
Curr. Liabilities	$ 380,859	$ 357,396
Long-term debt	134,032	132,420
Minority interest	6,745	4,805
+Preferred stock:		
$1.25 cumulative convertible	25	38
5.00 cumulative convertible	124	126
+Common stock	22,530	21,830
Add. paid-in capital	120,290	112,554
Retained earnings	202,490	155,364
Total Liabilities & Shareholders' Equity	$ 867,095	$ 784,533

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.20	7.57
%Net Income to Sales	4.15	4.12
%Net Income to Equity	20.07	19.83
Sales to Inventories	5.67	5.55
Working Capital	$238,672,000	$197,546,000
Current Ratio	1.63	1.55
Shareholders' Equity	$345,459,000	$289,912,000

Williams Electronics, Inc.

3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

375 Park Avenue, Suite 3805
New York, New York 10152
(212) 751-5300

Officers: Louis J. Nicastro, chairman of the board & chief executive officer; Michael R. Stroll, president & chief operating officer; Norman J. Menell, executive v.p.; E. John Nemec, v.p.-finance, treasurer, chief financial & accounting officer; John W. Masterson, v.p.-manufacturing; Kenneth Fedesna, v.p.-engineering; David J. Adler, secretary.

Directors: Louis J. Nicastro*, chairman; Michael R. Stroll*, Norman J. Menell*, William C. Bartholomay, Marvyn Carton*, Justin M. Golenbock, William E. McKenna.

* Member of the Executive Committee.

Areas of Work: The Company is engaged in the design, manufacture and sale of electronic coin-operated amusement games. The Company's games include both pinball and video games which use electronic technology.

Subsidiaries:

Menasha Controls Corporation
674 Valley Road
Menasha, Wisconsin 54952
(414) 731-8755

Williams Video Games, Inc.
1910 Swanson Court
Gurnee, Illinois 60031
(312) 336-8590

Williams International Sales Corp.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Continental Illinois National Bank and Trust
Company of Chicago
30 North LaSalle Street
Chicago, Illinois 60693

Stock Exchange(s): New York

Number of Employees:

1981 800

Sales and Earnings

	Net Sales	Net Income †
1981	$ 149,359,000	$ 18,820,000
1980	80,314,000	4,845,000
1979	58,223,000	436,000
1978	3[illegible],728,000	436,000
1977	32,421,000	439,000

	No. of Com. Shares ‡	Earn. per Share †‡
1981	7,500,000	$ 2.51
1980	7,500,000	0.65
1979	7,500,000	0.65
1978	7,500,000	0.06
1977	7,500,000	0.06

† Including extraordinary gains of $381,000 ($0.05 per share) in 1981 and $283,000 ($0.04 per share) in 1980.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1981	$ 25,183,000	$ 3.36
1980	8,855,000	1.18
1979	10,524,000	1.40
1978	5,682,000	0.76
1977	5,246,000	0.70

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1981	1980
Net sales	$ 148,333	$ 79,974
Other income	1,026	340
Total Income	$ 149,359	$ 80,314
Cost of sales	99,574	63,620
Expenses	9,395	3,797
Interest expense	3,094	2,428
Gen. corp. exp. allocated from former parent co.	1,862	3,214
Income before taxes	$ 35,434	$ 7,255
Income taxes	16,995	2,693
Net Income	$ 18,439	$ 4,562
Extraord. gain	381	283
Net Income & Extraord. gain	$ 18,820	$ 4,845

* Included in costs and expenses, Depreciation and Amortization: $888,000 in 1981 and $414,000 in 1980.

Assets
(000's)

As at Sept. 30	1981	1980
Cash & cash equiv.	$ 5,306	$ 1,017
Receiv., net	26,076	8,540
*Inventories	16,679	9,266
Deferred inc. taxes & prepaid expenses	1,645	193
Current Assets	$ 49,706	$ 19,016
Long-term receiv. & other assets	761	734
#Fixed assets	6,264	3,584
Intangibles	4,000	4,000
Total Assets	$ 60,731	$ 27,334

Liabilities
(000's)

	1981	1980
Notes payable	$ —	$ 4,000
Long-term debt, curr.	114	147
Accts. payable	10,511	4,006
Accruals	5,363	2,762
Income taxes	5,694	752
Curr. Liabilities	$ 21,682	$ 11,667
Note payable to former parent co.	—	6,000
Long-term debt	13,866	812
+ +Common stock	3,750	3,750
Add. paid-in capital	251	251
Retained earnings	21,182	11,368
Receiv. from former parent co.	—	(6,514)
Total Liabilities & Shareholders' Equity	$ 60,731	$ 27,334

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	23.89	9.07
%Net Income to Sales	12.43	5.70
%Net Income to Equity	73.22	51.52
Sales to Inventories	8.89	8.63
Working Capital	$28,024,000	$7,349,000
Current Ratio	2.29	1.63
Shareholders' Equity	$25,183,000	$8,855,000

Wiltek, Inc.

542 Westport Avenue
Norwalk, Connecticut 06851
(203) 853-7400

Officers: Robert J. Amman, president & chief executive officer; Jay W. Fitzpatrick, v.p.-marketing & asst. secretary; F. Spencer Pooley, Jr., v.p.-engineering; Fred Wiener, v.p. & treasurer; Alexander Hamilton, secretary.

Directors: Robert J. Amman, Martha M. Driver, Richard T. Niner, Ellis L. Phillips, Jr., Ralph A. Bard, Jr., Hadley Case, Robert W. Cruickshank.

Areas of Work: Engaged in the design, manufacture, sale and maintenance of data communication systems and services.

Subsidiaries:

Wiltek International, Inc.
Wiltek Leasing, Inc. (DISC)

Transfer Agent(s):

Hartford National Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Number of Employees:

1981	22	1979	20
1980	22		

Plant Footage:

1981	15,000 sq. ft.	1979	15,000
1980	15,000		

Sales and Earnings

	Revenues	Net Income ‡
1981	$ 2,584,000	$ 803,500
1980	2,168,500	906,600
1979	1,904,600	110,400
1978	2,660,900	8,298,300
1977	5,852,800	(206,800)

	No. of Com. Shares	Earn. per Share ‡ #
1981	3,631,493	$ 0.20
1980	3,456,493	0.22
1979	3,456,493	0.03
1978	3,456,493	1.90
1977	3,456,493	—

(Loss)
‡ Including extraordinary gains of $700,200 ($0.17 per share) in 1980, $81,700 ($0.02 per share) in 1979 and $8,228,300 ($1.85 per share) in 1978.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,362,900	$ 0.65
1980	1,384,400	0.40
1979	477,800	0.14
1978	367,400	0.11

Income Account *

Year ended Oct. 31	1981	1980
Revenues	$ 2,584,000	$ 2,168,500
Cost of sales	841,700	894,200
Expenses	1,100,000	941,300
Interest income	(161,200)	(48,300)
Income before taxes	$ 803,500	$ 381,300
Income taxes	389,800	174,900
Net Income	$ 413,700	$ 206,400
Extraord. gain	389,800	700,200
Net Income & Extraord. gain	$ 803,500	$ 906,600

* Included in Costs and Expenses, Depreciation and Amortization: $308,000 in 1981 and $292,500 in 1980.

Assets

As of Oct. 31	1981	1980
Cash & cert. of deposit	$ 1,407,400	$ 823,800
Accts. receiv., net	173,700	114,100
* Inventories	323,800	445,500
Assets held for sale	9,900	19,000
Other assets	27,300	28,700
Current Assets	$ 1,942,100	$ 1,431,100
‡ Rental Equip.	774,200	403,200
Total Assets	$ 2,716,300	$ 1,834,300

Liabilities

Long-term debt, curr.	$ 21,900	$ 19,300
Amts. payable to unsec. creditors	—	66,800
Accruals	273,400	214,100
Deferred revenue	34,100	29,100
Curr. Liabilities	$ 329,400	$ 329,300
Long-term debt	24,000	120,600
+ Common stock	1,210,500	1,152,200
Add. paid-in capital	4,905,700	4,789,000
(Deficit)	(3,753,300)	(4,556,800)
Total Liabilities & Shareholders' Equity	$ 2,716,300	$ 1,834,300

* At estimated realizable value.
‡ Less accumulated amortization.
+ No par value; $0.33⅓ stated value.

Statistical Summary

%Income bef. Taxes to Revenues	31.10	17.58
%Net Income to Revenues	16.01	9.52
%Net Income to Equity	17.51	14.91
Working Capital	$1,615,700	$1,101,800
Current Ratio	5.90	4.35
Shareholders' Equity	$2,362,900	$1,384,400

The Wurlitzer Company

403 East Gurler Road
DeKalb, Illinois 60115
(815) 756-2771

Officers: W.A. Rolfing, chairman of the board & chief executive officer; George B. Howell, president; James M. Graham, v.p.-nat'l. sales mgr., consumer products; Fred P. Youssi, v.p.-manufacturing; Wallace R. Borgeson, v.p. & controller; Wilhelm P. Foelkel, v.p.-mgr.-Deutsche Wurlitzer GmbH; R.W. Donaldson, treasurer; Gary B. Hurt, secretary & counsel; Fred P. Youssi, v.p.-Manufacturing.

Directors: J.M. Hutton III, W.A. Rolfing, A.D. Arsem, Marjorie B. Paullin, Frank J. Merrill, Wallace R. Borgeson, George B. Howell.

Areas of Work: Manufactures pianos, electronic pianos, electronic organs, coin operated phonographs and cigarette vendors. Operates a chain of 33 retail music stores in 11 metropolitan areas.

Divisions:

Corinth, Mississippi
Manufactures electronic organs.

Holly Springs, Mississippi
Manufactures pianos and piano keys and actions.

Foreign Subsidiaries:

Deutsche Wurlitzer GmbH
Hullhorst, Germany

Wurlitzer Limited
Knutsford, Cheshire, England

Wurlitzer Canada Limited
Toronto, Ontario, Canada

Wurlitzer Australia Pty. Ltd.
Taren Point, New South Wales, Australia

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza, 14th floor
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: WUR

Number of Employees:

1982	1,800

Plant Footage:

1982	10,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1982	$ 74,410,000	$ (5,531,000)
1981	84,828,000	(6,090,000)
1980	95,218,000	59,000
1979	98,231,000	2,583,000
1978	96,229,868	3,269,306

	No. of Com. Shares †	Earn. per Share #
1982	1,786,000	$ —
1981	1,785,867	—
1980	1,785,867	0.03
1979	1,770,617	1.45
1978	1,761,000	1.82

(Loss)
# Based on the average number of shares outstanding adjusted to reflect stock split.
† Adjusted to reflect stock split.
‡ Including extraordinary credits of $198,000 ($0.11 per share) in 1982.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$ —	—	—
1981	—	—	—
1980	0.36	—	—
1979	0.48	—	—
1978	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1982	$ 22,384,000	$ 12.53
1981	28,141,000	15.76
1980	34,231,000	19.17
1979	34,755,000	19.63
1978	32,843,191	18.65

† Adjusted to reflect stock split.

Income Account *

Year ended March 31	1982	1981
Net sales	$ 74,410,000	$ 84,828,000
Cost of sales	55,888,000	64,694,000
Expenses	22,396,000	27,409,000
Interest expense	4,418,000	4,426,000
Other income	1,942,000	1,814,000
Emp. sav. & profit sharing plan	—	81,000
Loss bef. taxes	$ (6,350,000)	$ (10,369,000)
Tax credit	623,000	(4,279,000)
Net (Loss)	$ (5,727,000)	$ (6,090,000)
Extraord. gain	196,000	—
Net Loss & Extraord. gain	$ (5,531,000)	$ (6,090,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,753,000 in 1981 and $1,699,000 in 1979.

Assets

As of March 31	1982	1981
Cash	$ 1,499,000	$ 1,456,000
Short-term investments	1,750,000	4,794,000

Income tax refunds receivable	114,000	3,686,000
Accts. receiv., net	16,419,000	17,423,000
*Inventories	21,231,000	28,651,000
Current Assets	$ 41,013,000	$ 56,010,000
#Fixed assets	14,130,000	18,193,000
Other assets & prepaid exp.	3,531,000	2,049,000
Total Assets	$ 58,674,000	$ 76,252,000
Liabilities		
Notes payable	$ 3,667,000	$ 8,750,000
Long-term debt, curr.	2,690,000	823,000
Accts. payable	3,249,000	4,055,000
Accruals	5,163,000	6,115,000
Curr. Liabilities	$ 14,769,000	$ 19,743,000
Long-term debt	20,817,000	26,750,000
Other liab.	9,000	21,000
Deferred comp.	465,000	852,000
Deferred inc. taxes	230,000	745,000
+Common stock	17,859,000	17,859,000
Accumulated translation adjustment	(226,000)	—
Retained earnings	4,751,000	10,282,000
Total Liabilities & Shareholders' Equity	$ 58,674,000	$ 76,252,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $10 par value.

Statistical Summary

Sales to Inventories	3.50	2.96
Working Capital	$26,244,000	$36,267,000
Current Ratio	2.78	2.84
Shareholders' Equity	$22,384,000	$28,141,000

Wyle Laboratories

128 Maryland Street
El Segundo, California 90245
(213) 678-4251

Officers: Frank S. Wyle, chairman of the board; Stanley A. Wainer, president and chief executive officer; Theodore M. Freedman, exec. v.p.-finance, and treasurer, chief financial officer; John R. Herring, exec. v.p.-Scientific Services & Systems Group and Industrial Manufacturing Group; Sidney L. Spiegel, exec. v.p.; K. Charles Elliott, v.p.; Joseph E. Sullivan, secretary and corporate controller, chief accounting officer.

Directors: Frank S. Wyle, Lawrence E. Irell, Stanley A. Wainer*, John R. Herring*, Sidney L. Spiegel, Elvin W. Feige, Raymond J. Raff, James J. McMorrow*, Edward Sanders, F. Stephen Wyle.

*Member of the Executive Committee.

Areas of Work: Industrial distribution of electronic components and systems including sales, service, and finance functions; research, engineering, and testing services to the energy, aerospace/defense, acoustics, and transportation industries; manufactures electronic enclosures and electrical cables; operates a fleet of tanker trucks and specialized closed van trailers.

Divisions and Subsidiaries:

Scientific Services & Systems Group

Huntsville Facility
7800 Governors Drive, West
P.O. Box 1008
Huntsville, Alabama 35807
(205) 837-4411
Refurbishment, functional testing, and certification of safety valves, snubbers, etc., for nuclear power plants; seismic shock testing of very large nuclear power plant equipment, functional testing of radioactive components; boating safety, simulator design, rocket and spacecraft testing.

Hampton Facility
3200 Magruder Boulevard
Hampton, Virginia 23666
(804) 838-5000
Design, assembly, programming, and operation of computer-based data systems; instrument calibration and maintenance.

Norco Facility
1841 Hillside Avenue
Norco, California 91760
(714) 737-0781
Full scale testing of large nuclear power plant safety systems, valves, flowmeters, etc.; high-force seismic testing and analysis; hazardous testing, encompassing cryogenics, fuels, solid rockets, and ordnance.

Foundation Mechanics, Inc.
128 Maryland Street
El Segundo, California 90245
(213) 678-4251
Production of equipment for highway and airfield pavement and subgrade analysis.

El Segundo Facility
128 Maryland Street
El Segundo, California 90245
(213) 678-4251
Aerospace testing, with emphasis on high flow and/or high pressure pneumatics and on shock and vibration.

Reseach Staffs:
El Segundo, California
Hampton, Virginia
Huntsville, Alabama
Washington, D.C.
Consulting services and contract research in the physical sciences, specializing in acoustics; aerospace and seismic studies.

Industrial Manufacturing Group

Lewis Machine Company
3441 East 76th Street
Cleveland, Ohio 44127
(216) 641-3015
Wire and bar strengthening and cutting machines.

Pal-Vin Machine & Mfg. Co.
1419 East 40th Street
Cleveland, Ohio 44103
(216) 391-2626
Precision machined parts for machinery manufacturers.

Central Petroleum Company
548 Northern Ohio Bank Building
Cleveland, Ohio 44113
(216) 771-0400
Lubricants, fuel additives, insecticides, paints, roofing materials, anti-freezes, etc.

Burton Electrical Engineering
111 Maryland Street
El Segundo, California 90245
(213) 322-0615
Design and manufacture of electrical ground support systems for aircraft,
electrical cable systems for the
oil well industry, and other kinds of electrical connecting systems.

Electronic Enclosures:

225 South Aviation Boulevard
El Segundo, California 90245
(213) 679-0181

6995 Airport Highway
Pennsauken, New Jersey 08109
(609) 665-6810

Wyle Distribution Group

Wyle Distribution/El Segundo
124 Maryland Street
El Segundo, California 90245
(213) 322-8100
Industrial distribution of electronic components.

Wyle Distribution/Santa Clara
3000 Bowers Avenue
Santa Clara, California 95051
(408) 727-2500
Industrial distribution of electronic components.

Wyle Distribution/Denver
Denver, Colorado
6777 East 50th Street
Commerce City, Colorado 80022
(303) 287-9611
Industrial distribution of electronic components.

Wyle Distribution/San Diego
9525 Chesapeake Drive
San Diego, California 92123
(714) 565-9171
Industrial distribution of electronic components.

Wyle Distribution/Phoenix
8155 North 24th Avenue
Phoenix, Arizona 85201
(602) 249-2232
Industrial distribution of electronic components.

Wyle Distribution/Orange County
17981 Skypark Circle
Irvine, California 92714
(714) 751-9850

Wyle Data Services, Inc.
15302 Bolsa Chica
Huntington Beach, California 92642
(213) 598-9555
Development and support of on-line computer services and software.

Transportation Group

Redwing Carriers, Inc.
8515 Palm River Road
P.O. Box 426
Tampa, Florida 33601
(813) 621-2046
Common carrier highway transport of liquid and dry bulk commodities.

Transfer Agent(s):
Security Pacific National Bank
Corp. Trust Dept.
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: WYL

Number of Employees:

1982	2,100	1979	2,362
1981	2,200	1978	2,634
1980	2,400		

Sales and Earnings

	Net Sales †	Net Income
1982	$ 246,698,000	$ (2,147,000)
1981	252,933,000	6,589,000
1980	239,501,000	8,237,000
1979	205,253,000	4,028,000
1978	164,447,000	4,059,000

	No. of Com. Shares #	Earn. per Share #
1982	5,558,000	$ —
1981	5,680,000	1.16
1980	5,500,000	1.50
1979	5,404,000	0.74

† Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1982	1981
Wyle distributions	$ 155,875	$ 164,447
Industrial mfg.	39,527	34,254
Transportation	23,886	25,239

Scientific services & systems	27,410	28,993
Total	$ 246,698	$ 252,933

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1982	$0.40	—	—
1981	0.40	—	—
1980	0.32	—	5-for-4
1979	0.23	—	5-for-4
1978	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1982	$ 42,086,000	$ 7.57
1981	46,292,000	8.36
1980	40,644,000	7.48
1979	33,774,000	6.34

Income Account *

Year ended Jan. 31	1982	1981
Net sales	$ 246,698,000	$ 252,933,000
Cost of sales	187,913,000	190,485,000
Expenses	51,902,000	46,625,000
Gain on dispos.	(203,000)	(237,000)
Other income	(1,013,000)	(754,000)
Interest expense	5,581,000	4,814,000
Acq. bus. write-off	5,096,000	—
Income (loss)before taxes	$ (2,578,000)	$ 12,000,000
Income taxes (credit)	(431,000)	5,411,000
Net Income (Loss)	$ (2,147,000)	$ 6,589,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,263,000 in 1982 and $4,354,000 in 1981.

Assets

As of Jan. 31	1982	1981
Cash	$ 2,083,000	$ 2,159,000
Accts. receiv., net	42,660,000	37,814,000
*Inventories	41,647,000	37,458,000
Other current assets	2,590,000	2,367,000
Current Assets	$ 88,980,000	$ 79,798,000
#Fixed assets	33,755,000	33,115,000
Other assets	3,978,000	9,153,000
Total Assets	$ 126,713,000	$ 122,066,000

Liabilities

	1982	1981
Notes payable	$ 2,000,000	$ —
Long-term debt, curr.	2,969,000	3,264,000
Accts. payable	15,362,000	14,139,000
Accruals	10,081,000	9,572,000
Income taxes	—	852,000
Curr. Liabilities	$ 30,412,000	$ 27,827,000
Long-term debt	39,813,000	32,862,000
Convertible sub. debentures	9,373,000	10,017,000
Deferred inc. taxes	5,029,000	5,068,000
+ Common stock	1,855,000	1,848,000
Add paid-in capital	12,650,000	12,453,000
Retained earnings	27,581,000	31,991,000
Total Liabilities & Shareholders' Equity	$ 126,713,000	$ 122,066,000

* At lower of cost (FIFO or average method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1982	1981
%Income bef. Taxes to Sales	—	4.74
%Net Income to Sales	—	2.61
%Net Income to Equity	—	14.23
Sales to Inventories	5.92	6.75
Working Capital	$58,568,000	$51,971,000
Current Ratio	2.93	2.87
Shareholders' Equity	$42,086,000	$46,292,000

Xerox Corporation

Stamford, Connecticut 06904
(203) 329-8700

Officers: C. Peter McClough, chairman of the board, chief executive officer & chairman of the executive committee; David T. Kearns, president & chief operating officer; John S. Crowley, William F. Glavin, William F. Souders, John V. Titsworth, executive v.p.'s; Marion H. Antonini, Robert D. Firth, Frank J. Pipp, group v.p's; Robert R. Sparacino, Jacob E. Goldman, Melvin Howard, Robert M. Pipitt, senior vice presidents; Robert V. Adams, [illegible] W. Becker, Joseph N. Capretta, Shelby H. Carter, [illegible] Charles F. Christ, David J. Curtin, Wayland R. Hicks, Robert J. Kammerer, Donald J. Massaro, George E. Pake, Douglas M. Reid, Robert F. Reiser, Dwight F. Ryan, Robert M. Schneider, James E. Shapiro, Thorwald N. Trolle, George R. White, vice presidents; Robert S. Banks, v.p. & general counsel; E. Kent Damon, v.p. & secretary; John J. McGinty, treasurer; Stuart B. Rose, controller; R. Geoffrey Bardsley, asst. treasurer.

Directors: C. Peter McColough*, chairman; Kenneth R. Andrews, Robert A. Beck, Howard L. Clark, Joan Ganz Cooney, John S. Crowley*, William F. Glavin*, Jacob E. Goldman*, Alfred Herrhausen, Vernon E. Jordon, Jr., David T. Kearns*, C. Peter McColough*, James P. O'Neill*, Robert M. Pippitt*, William E. Simon, William F. Souders*, Robert L. Sproull, Robert S. Strauss, John V. Titsworth*, Ernst H. van der Beugel.

* Member of the Executive Committee.

Areas of Work: The company's principal industry segment is reprographics, consisting of the development, manufacture and marketing of xerographic copiers and duplicators, electronic printing systems, and providing related services. The principal market for reprographic products is business and government offices. Also develops, and markets facsimile transceivers: electrostatic printers; processor memory disks and drives and high-speed terminals; electronic typing systems with and without display; automatic labeling, binding and mailing machines; microfiche printers; and xeroradiographic devices. Supplies instant-access data-processing service and related accounting and control programs to companies nationwide. Publishes textbooks, reference works and other learning materials used in schools and libraries. Provides international communications services and telephone answering, radio paging and mobile radio services in the United States.

Divisions and Subsidiaries:

Airsignal International, Inc.
One WUI Plaza
New York, New York 10004
(212) 482-6816

AutEx Systems
55 Williams Stree
Wellesley, Massachusetts 02135
(617) 235-1940

R.R. Bowker Co.
1180 Avenue of the Americas
New York, New York 10036
(212) 764-5100

Century Data Systems
1270 N. Kraemer Blvd.
Anaheim, California 92806
(714) 632-7500

Cheshire, Inc.
408 Washington Blvd.
Mundelein, Illinois 60060
(312) 949-2000

Corporate Business Development
Xerox Corporation
Stamford, Connecticut 06904
(203) 329-8700

Diablo Systems, Inc.
24500 Industrial Blvd.
Hayward, California 94545
(415) 786-5000

Ginn and Company
191 Spring Street
Lexington, Massachusetts 02173
(617) 861-1670

Jaques Cattell Press
Box 25001
Tempe, Arizona 85282
(602) 967-8885

Kurzweil Computer Products, Inc.
33 Cambridge Parkway
Cambridge, Massachusetts 02142
(617) 864-4700

Shugart Associates
415 Oakmead Parkway
Sunnyvale, California 94086
(408) 733-0100

Systemix
2737 Campus Drive
Irvine, California 92715
(714) 851-1010

Unipub
650 First Avenue
New York, New York 10016
(212) 686-4707

University Microfilms International
300 N. Zeeb Road
Ann Arbor, Michigan 48106
(313) 761-4700

Versatec, Inc.
2805 Bowers Avenue
Santa Clara, California 95051
(408) 988-2800

WUI/TAS, Inc.
One WUI Plaza
New York, New York 10004
(212) 482-6840

Xerox Business Products Division
Xerox Corporation
High Ridge Park (Bldg. 5)
Stamford, Connecticut 06840
(203) 329-7500

Xerox Business Systems Group
Xerox Corporation
Xerox Square
Rochester, New York
(716) 423-9200

Xerox Canada, Inc.
703 Don Mills Road
Don Mills, Ontario M3C 1SD
Canada
(416) 429-6750

Xerox Computer Services
5310 Beethoven Street
Los Angeles, California 90066
(213) 390-3461

Xerox Credit Corporation
Two Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-5440

Xerox Education Publications
245 Long Hill Road
Middletown, Connecticut 06457
(203) 347-7251

Xerox Electro-Optical Systems
300 N. Halstead Street
Pasadena, California 91107
(213) 351-2351

Fuji Xerox Co., Ltd.
3-5 Akasaka 3-chome
Minato-ku, Tokyo 107
Japan

Xerox Information Systems Division
Xerox Corporation
Xerox Square
Rochester, New York 14644

Xerox Latinamerican Group
3 Pickwick Plaza
Greenwich, Connecticut 06830
(213) 622-4700

Xerox Limited, Hong Kong
P.O. Box 489
12C Watson's Estate
North Point, Hong Kong
China

Xerox Learning Systems
One Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-5300

Xerox Magnetics
150 Charcot Avenue
San Jose, California 95131
(408) 262-4136

Xerox Medical Systems
125 N. Vinedo Avenue
Pasadena, California 91107
(213) 251-2351

Xerox Memory Systems, Inc.
3333 Bowers Avenue, Suite 250
Santa Clara, California 95051
(408) 727-7710

Xerox Middle East & North Africa
3 Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-4700

Xerox Office Products Division
Xerox Corporation
1341 W. Mockingbird Lane
Dallas, Texas 75247
(214) 689-6000

Xerox Printing Systems Division
Xerox Corporation
Continental Park
880 Apollo Street
El Segundo, California 90245
(213) 679-4511

Rank Xerox Limited
Rank Xerox House
338 Euston Road
London NW1 3BH
England

Xerox Special Businesses Division
Xerox Corporation
Xerox Square
Rochester, New York 14644

Xerox Telecommunications Network
One Jericho Plaza
Jericho, New York 11753
(516) 938-8200

Xerox Argentina, I.C.S.A.
Xerox do Brasil, S.A.
Xerox de Chile, S.A. Reproducciones
Xerox del Ecuador, S.A.
Xerox de Mexico, S.A. de C.V.
Xerox del Peru, S.A.
Xerox de Venezuela, C.A.
Xerox de Colombia, S.A.
Xerox Research (UK) Limited
Rank Xerox Limited
Rank Xerox Holding B.V.
    Rank Xerox Manufacturing
      (Nederland) B.V.
VersateC Fabrikations G.m.b.H.
Societe Industrielle
    Rank Xerox S.A.
Bessemer Trust Limited
Fuji Xerox Co., Ltd.
Rank Xerox (U.K.) Limited
Rank Xerox (Ireland) Limited
Rank Xerox de Espana Limited
Rank Xerox Espanola S.A.
Rank Xerox (N.Z.) Ltd.
Rank Xerox S.A.
University Microfilms International Ltd.
Rank Xerox (Management) Limited
  N.V. Rank Xerox S.A.
  Rank Xerox (Australia) Pty. Ltd.
  Rank Xerox Austria G.m.b.H.
  Rank Xerox A/S
  Rank Xerox Oy
  Rank Xerox G.m.b.H.
  Rank Xerox Greece S.A.
  Rank Xerox S.p.A.
  Rank Xerox (Nederland) B.V.
  Rank Xerox A/S
  Rank Xerox A.B.
  Rank Xerox A.G.
  Office de Transformation Papetiere S.A.

Transfer Agent(s):

Lincoln First Bank N.A.
P.O. Box 1250
Rochester, New York 14603

Wells Fargo Bank, N.A.
P.O. Box 44011
San Francisco, California 94144

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, Boston, Cincinnati, London, Paris, Amsterdam, Dusseldorf, Frankfurt, Basel, Berne, Geneva, Lausanne, Zurich.

Ticker Symbol: XRX

Number of Employees:

1981	120,981	1978	107,679
1980	120,480	1977	106,677
1979	115,705		

Plant Footage:

1981 . . . . . . 30,379,000 sq.ft.

Sales and Earnings ‡

	Oper. Rev. (000's)	Net Income (000's)
1981	$ 8,691,000	$ 598,000
1980	8,197,000	598,000
1979	6,996,000	515,000
1978	6,018,000	497,000 +
1977	5,190,000	432,000

	No. of Com. Shares #	Earn. per Share #
1981	84,503,146	$ 7.08
1980	84,423,840	6.69
1979	84,125,133	6.12
1978	84,092,274	5.91 +
1977	83,901,945	5.15

‡ Restated to reflect change in accounting method to comply with FASB Statement No. 52 concerning foreign currency translation.
# Based on average number of common shares and Class B shares outstanding.
+ Including extraordinary income of $12,000,000 ($0.14 per share).

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$3.00	—	—
1980	2.80	—	—
1979	2.40	—	—
1978	2.00	—	—
1977	1.50	—	—

Common Stock Equity †

	Total Equity (000's)	Equity Per Share ‡
1981	$ 3,728,000	$ 44.12
1980	3,630,000	43.00
1979	3,259,000	38.74
1978	2,983,000	35.47
1977	2,458,000	29.30

† Restated.
‡ Based on average number of common shares and Class B shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1981	1980 ‡
Net Sales	$ 3,411,400	$ 3,044,900
Rentals	5,279,600	5,151,600
Total oper. revenues	$ 8,691,000	$ 8,196,500
Cost of sales	1,570,800	1,435,600
Cost of rentals	2,269,500	2,167,500
Expenses	3,095,000	2,882,100
Research & develop.	526,300	435,800
Oper. profit	$ 1,229,400	$ 1,275,500
Other charges (income)	49,500	(3,600)
Income before taxes	$ 1,179,900	$ 1,279,100
Income taxes	454,400	611,800
Minority interest	127,300	102,400
Net Income	$ 598,200	$ 564,900

*Included in Costs and Expenses, Depreciation and Amortization: $841,300,000 in 1981 and 840,400,000 in 1980.
‡ Restated.

Assets
(000's)

As of Dec. 31	1981	1980 ‡
Cash	$ 45,200	$ 86,800
Bank time deposits	234,000	228,800
Marketable securities	148,000	207,300
Accts. receiv., net	1,245,300	1,163,800
Receiv. from Xerox Credit Corp.	178,200	196,300
Accrued rentals	403,300	376,800
*Inventories	1,131,900	1,090,200
Prepaid expenses & other assets	230,200	210,000
Current Assets	$ 3,616,100	$ 3,560,000
Investments	319,600	226,600
Rental equp.	1,905,100	1,966,800
Trade receiv.	245,500	199,400
#Fixed assets	1,438,700	1,410,400
Other assets	149,400	150,600
Total Assets	$ 7,674,400	$ 7,513,800

Liabilities
(000's)

Notes payable	$ 224,200	$ 208,400
Long-term debt, curr.	96,300	80,000
Accts. payable	340,200	315,800
Accrued payroll	909,900	907,300
Other liab.	163,700	147,800
Income taxes	346,500	425,400
Curr. Liabilities	$ 2,080,800	$ 2,084,700
Long-term debt	869,500	898,300
Minority interest	495,600	539,500
Deferred credits	108,900	85,600
Deferred income taxes	247,000	142,700
Noncurrent liabilities	145,000	133,000
+Common stock	84,300	84,300
+Class B stock	200	200
Add. paid-in capital	306,000	304,900
Retained earnings	3,500,100	3,155,400
Class B stock receiv. & deferrals	(12,900)	(13,600)
Cum. trans. adjust.	150,100	98,800
Total Liabilities & Shareholders' Equity	$ 7,674,400	$ 7,513,800

‡ Restated.
*At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.58	15.61
%Net Income to Revenues	6.88	6.89
%Net Income to Equity	16.05	15.56
Working Capital	$1,535,300,000	$1,475,300,000
Current Ratio	1.74	1.71
Shareholders' Equity	$3,727,600,000	$3,630,000,000

Xexex Industries, Inc.

3 Duke Place
Norwalk, Connecticut 06854
(203) 853-8001

Xexex Industries, Inc.

Mailing address:

P.O. Box 5319
Rowayton, Connecticut 06853

Officers: George Battocchio, president & treasurer; Burton Marks, secretary.

Directors: George Battocchio, chairman; Ira Nevin, Robert E. Weiss, Burton Marks, Samuel Di Stasi.

Areas of Work: Engaged in the production of circuit boards.

Transfer Agent(s):

Citibank, N.A.
New York, New York

Stock Exchange(s): Over-the-Counter

Plant Footage:

1981 . . . . . . 25,000 sq. ft. 1980 25,000

Sales and Earnings

	Net Sales	Net Income
1981	$ 2,952,285	$ 59,273
1980	3,046,505	141,130
1979	2,963,407	165,471
1978	2,658,479	187,464
1977	2,789,835	200,693

	No. of Com. Shares ‡	Earn. per Share ‡
1981	353,933	$ 0.17
1980	361,800	0.39
1979	373,600	0.44
1978	374,600	0.50
1977	374,600	0.50

‡ Based on weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.11	—	—
1980	0.11	—	—
1979	0.10	—	—
1978	0.08	—	—
1977	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 1,138,552	$ 3.22
1980	1,137,433	3.14
1979	1,056,775	2.83
1978	890,552	2.38
1977	721,818	1.93

Income Account *

Year ended Dec. 31	1981	1980
Net sales	$ 2,952,285	$ 3,046,505
Cost of sales	2,263,383	2,245,752
Expenses	605,453	606,177
Other charges	9,938	10,113
Income before taxes	$ 73,511	$ 184,463
Income taxes	14,238	43,333
Nt. Income	$ 59,273	$ 141,130

* Included in Costs and Expenses, Depreciation and Amortization: $198,025 in 1981 and $167,168 in 1980.

Assets

As of Dec. 31	1981	1980
Cash	$ 342,633	$ 310,180
Receiv., net	379,245	290,872
* Inventories	340,948	296,541
Prepaid expenses	16,063	80,758
Current Assets	$ 1,078,889	$ 978,351
# Fixed assets	809,519	871,743
Defer. charges & other assets	75,116	77,467
Total Assets	$ 1,963,524	$ 1,927,561

Liabilities

	1981	1980
Notes payable	$ 187,660	$ 173,219
Accts. payable	364,008	242,132
Accruals	54,526	23,979
Income taxes	—	15,611
Other taxes	4,026	3,300
Curr. Liabilities	$ 610,220	$ 458,241
Notes payable	160,363	279,223
Deferred inc. taxes	54,389	52,664
+ Common stock	4,065	4,065
Add. paid-in capital	337,098	337,098
Retained earnings	938,808	918,930
Treasury stock	(141,419)	(122,660)
Total Liabilities & Shareholders' Equity	$ 1,963,524	$ 1,927,561

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1981	1980
% Income bef. Taxes to Sales	2.49	6.05
% Net Income to Sales	2.01	4.63
% Net Income to Equity	5.21	12.41
Sales to Inventories	8.66	10.27
Working Capital	$ 468,669	$ 520,110
Current Ratio	1.77	2.14
Shareholders' Equity	$1,138,552	$1,137,433

Xonics, Inc.

515 East Touhy Avenue
Des Plaines, Illinois 60018
(312) 296-4488

Officers: Charles F. Haverty, chairman of the board, president & chief executive and operating officer; Sidney Kulek, exec. v.p., genl. mgr., corp. secy.; David Anderson, sr. v.p. & treasurer; E. Raymond Townley, Cole Buxbaum, David Higgins, v.p.'s.

Directors: Charles F. Haverty, Sidney Kulek, Dr. Russell H. Morgan, Richard Stowe, James Blair, John A. Hill, Robert F. Miller, Robert K. DiVall, Solomon Weisgal.

Areas of Work: Manufactures and sells medical imaging products and photochemicals.

Divisions and Subsidiaries:

Medical Equipment Manufacturing Company, Inc.
515 East Touhy Avenue
Des Plaines, Illinois 60018

Standard X-Ray Company
515 East Touhy Avenue
Des Plaines, Illinois 60018

Xonics Medical Systems, Inc.
515 East Touhy Avenue
Des Plaines, Illinois 60018

Radiographic Systems, Inc.
2630 Humboldt Street
Los Angeles, CA 90031

EkoLine, Inc.
880 West Maude Avenue
Sunnyvale, CA 94086

Radiographic Development Corp.
1622 Deere Avenue
Irvine, CA 92714

Transfer Agent(s):

Continental Illinois Bank & Trust Co. of Chicago
30 North LaSalle Street
Chicago, IL 60693

Stock Exchange(s): Pacific

Ticker Symbol: XOXP

Number of Employees:

1981 1,100

Plant Footage:

1981 . . . . . . 200,000 sq. ft.

Sales and Earnings

	Revenues +	Net Income #
1981	$ 76,981,000	$ (1,652,000)
1980	70,067,000	4,741,000
1979	82,922,000	(11,490,370)
1978	8,645,000	(4,741,911)
1977	5,370,000	(3,483,847)

	No. of Com. Shares	Earn. per Share #†
1981	3,489,742	$ —
1980	2,920,040	0.79
1979	2,412,040	—
1978	2,410,440	—
1977	2,358,878	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $9,610,000 ($1.45 per share) in 1980.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1981	$ 234,000	$ 0.07
1980	(1,219,000)	—
1979	(7,816,747)	—
1978	3,572,802	1.48
1977	8,344,927	3.54

(Deficiency)

Income Account *

Year ended March 31	1981	1980
Net sales & revenues	$ 76,981,000	$ 70,067,000
Cost of sales	49,901,000	47,016,000
Expenses	1,216,000	967,000
Interest expense	3,283,000	3,008,000
Loss before taxes	$ (1,166,000)	$ (4,946,000)
Income taxes	48,000	20,000
Loss from cont. oper.	(1,214,000)	(4,966,000)
Inc. (loss) from discont. oper.	(438,000)	97,000
Net Loss	$ (1,652,000)	$ (4,869,000)
Extraord. gain	—	9,610,000
Net Loss & Extraord. Gain	$ (1,652,000)	$ (4,741,000)

* Included in Costs and Expenses, Depreciation and Amortization: $499,000 in 1981 and $531,000 in 1980.

Assets

As of March 31	1981	1980
Cash	$ 340,000	$ 213,000
Accts. receiv., net	13,151,000	11,853,000
Other receiv.	1,337,000	616,000
*Inventories	18,803,000	19,542,000
Prepaid expenses	394,000	172,000
Current Assets	$ 34,025,000	$ 32,396,000
#Fixed assets	2,000,000	1,810,000
Other assets	1,300,000	1,589,000
Total Assets	$ 37,325,000	$ 35,795,000

Liabilities

	1981	1980
Notes payable	$ —	$ 13,867,000
Long-term debt, curr.	1,328,000	1,212,000
Accts. payable & accruals	10,749,000	13,375,000

Advance payments	268,000	563,000
Curr. Liabilities	$ 12,345,000	$ 29,017,000
Long-term debt	11,352,000	2,947,000
Redeem. pref. stock	13,594,000	5,050,000
+ Common stock:		
Class A	349,000	292,000
Class B	94,000	—
Add. paid-in capital	16,048,000	13,024,000
Retained earnings (deficit)	(16,257,000)	(14,535,000)
Total Liabilities & Shareholders' Equity	$ 37,525,000	$ 35,795,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Working Capital	$21,680,000	$ 3,529,000
Current Ratio	2.76	1.12
Shareholders' Equity (Deficiency)	$ 234,000	$(1,219,000)

Youngwood Electronic Metals, Inc.

4060 Norbatrol Avenue
Murrysville, Pennsylvania 15668
(412) 243-0244

Officers: Robert A. Domin, president & treasurer; Sam Chetlin, executive vice president; Eugene R. Turk, vice president-Western Operations; Thomas A. Longo, vice president-Western Sales; Thomas A. Hill, secretary; Peter Radakovich, chief financial officer & asst. corp. secretary.

Directors: Robert A. Domin, Thomas A. Hill, P[illegible] E. Boorn, Floyd R. Genessi, Sam Chetlin.

Areas of Work: Engaged in the manufacture of high precision lead frame and other stampings, to customers' specifications, for the semiconductor components of electronic industry. Included in the market are computers, calculators, industrial control devices, automotive, communications, radio, television and other customer applications.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: YEMI (NASDAQ)

Number of Employees:

1980	250	1977	200
1979	260	1976	140
1978	230		

Plant Footage:

1980	65,000 sq. ft.	1977	65,000
1979	65,000	1976	65,000
1978	65,000		

Sales and Earnings

	Net Sales	Net Income
1981	$ 15,744,165	$ (1,001,512)
1980	18,132,976	(174,857)
1979	17,745,139	582,101
1978	16,249,581	349,484
1977	13,309,467	371,347

	No. of Com. Shares	Earn. per Share #
1981	1,111,229	$ —
1980	1,067,629	—
1979	780,187	0.73
1978	778,992	0.45
1977	660,847	0.46

(Loss)
Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	—	—	—
1980	—	—	—
1979	—	—	—
1978	—	10%	—
1977	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 2,725,890	$ 2.45
1980	3,670,261	3.44
1979	2,883,178‡	3.70
1978	2,304,485‡	2.96
1977	1,905,749‡	2.88

‡ After allowing for preferred stock at a liquidating value of $3.50 per share.

Income Account *

Year ended Aug. 31	1980	1979
Net sales	$ 18,132,976	$ 17,745,139
Cost of sales	16,151,497	14,736,324
Expenses	1,878,046	1,528,690
Interest expense	471,741	401,311
Other income	(27,351)	(13,487)
Income (loss) bef. taxes	$ (340,957)	$ 1,092,301
Income taxes (credit)	(166,100)	510,200
Net Income (Loss)	$ (174,857)	$ 582,101

Assets

As of Aug. 31	1980	1979
Cash	$ 77,061	$ 138,797
Receiv., net	2,721,222	2,873,093
* Inventories	2,032,474	1,773,496
Income taxes refundable	220,000	—
Prepaid expenses	109,867	118,606
Deferred inc. taxes	52,800	85,500
Current Assets	$ 5,213,424	$ 4,989,492
Investments & other assets	348,399	236,871
# Fixed assets	3,516,386	3,165,349
Total Assets	$ 9,078,209	$ 8,391,712

Liabilities

Long-term debt, curr.	$ 334,435	$ 311,115
Accts. payable	3,136,248	1,627,061
Accrued payroll & employee benefits	265,812	346,717
Income taxes	25,767	538,289
Curr. Liabilities	$ 3,762,262	$ 2,823,182
Long-term debt.	1,403,786	2,378,262
Deferred inc. taxes	241,900	220,700
+ Preferred stock	—	86,391
+ + Common stock	830,937	593,906
Add. paid-in capital	917,019	189,210
Retained earnings	1,934,589	2,112,345
Treasury stock	(12,284)	(12,284)
Total Liabilities & Shareholders' Equity	$ 9,078,209	$ 8,391,712

* At LIFO cost not in excess of market.
# Less accumulated depreciation.
+ $3.50 par value. Series A, 6¾% noncumulative.
+ + $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.16
%Net Income to Sales	—	3.28
%Net Income to Equity	—	19.60
Sales to Inventories	8.92	10.01
Working Capital	$ 1,451,162	$ 2,166,310
Current Ratio	1.39	1.77
Shareholders' Equity	$ 3,670,261	$ 2,969,568

* Included in Costs and Expenses. Depreciation: $318,016 in 1980 and $332,771 in 1979.

Zenith Radio Corporation

1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000

Officers: Joseph S. Wright, chairman of the board; Revone W. Kluckman, president and chief executive officer; Walter C. Fisher, executive v.p.-sales and marketing; Karl H. Horn, exec. v.p. & group executive v.p.; J.D. Dougherty, sr. v.p.-sales and marketing-consumer products; Joseph P. Fiore, Robert B. Hansen, senior vice presidents & group vice presidents; Eugene M. Kinney, sr. v.p.-administration & public affairs; Jerry K. Pearlman, sr. v.p.-finance & group v.p.; Philip J. Curtis, v.p. & general counsel; David W. Denton, v.p.-human resources; Leonard Dietch, v.p.-research and development, picture tube and components operations; John L. McCallister, v.p.-marketing; Carl A. Michelotti, v.p.-color television engineering; Melvin L. Moore, v.p.-color television manufacturing; George A. Schupp, v.p. & general manager-video operations; James A. Stark, v.p.-purchasing; William A. Krein, controller; DavidS. Levin, treasurer; Dennis J. Waldeck, secretary.

Directors: Joseph S. Wright*, chairman; Thomas G. Ayers*, Harry G. Beckner, Sidney Davidson*, Walter C. Fisher, John L. Hanigan, Karl H. Horn, John H. Johnson, Eugene M. Kinney, Revone W. Kluckman*, W. Deming Lewis, Frederick G. Jaicks*, Jerome Van Gorkom.

* Member of the Executive Committee

Areas of Work: Manufactures consumer electronic products, principally color and black and white television sets, radios, stereo systems and video cassete recorders. Other products include color picture tubes for sale to original equipment manufacturers, monochrome CRT display devices, and decoders for over-the-air pay TV. The company also markets electronic kits and microcomputer products in kit and assembled form through a network of 74 outlets in the U.S., Canada, and Europe. The kits are also marketed through direct mail.

Divisions and Subsidiaries:

Zenith Radio Corporation
1900 North Austin Avenue
Chicago, Illinois 60639

Zenith Radio Corporation
Microcircuit Facility
1851 Arthur Street
Elk Grove, Illinois 60007
(312) 956-1550

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Radio Corporation
6001 W. Dickens Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Radio Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 745-2000

Zenith Radio Corporation
11000 Seymour
Franklin Park, Illinois 60131
(312) 671-6110

Central Electronics Company
Grandview & Route 133
Paris, Illinois 61944
(217) 465-6321

Zenith Electronics Corp. of Missouri
2500 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Indiana
1515 No. Fulton Avenue
Evansville, Indiana 47701
(812) 423-7761

Zenith Electronics Corp. of Pennsylvania
Audio Division
601 Liberty Street
Watsontown, Pennsylvania 17777
(717) 538-9511

Zenith Radio Corporation

Zenith Electronics Corp. of Texas
P.O. Box 848
Brownsville, Texas 78520

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation
No. 16 Chih Chiang First Road
Neili Industrial District
Chung-li Shis
Toe-Yuan Hsien, Taiwan, R.O.C.

Zenith Radio Corp. of Canada, Ltd.
1020 Islington Avenue
Toronto, Ontario M8Z 5X5, Canada
(416) 231-4171

Zenith Radio Corp. of Canada, Ltd.
900 Boul. St. Martin O.
Laval, P.Q. H72-2B6, Quebec, Canada
(514) 663-0430

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94119
(415) 621-8545

Zenith Distribution Corp. of New York
200 Meadowland Parkway
Secaucas, New Jersey 070094
(201) 330-9000

Zenith Distributing Corp. of Kansas
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(312) 562-7300

Zenith International Sales Corp.
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Data Systems
1000 North Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000

Zenith Radio Corp. of Canada, Ltd.
1429 Mountain Avenue
R2X249
Winnipeg, Manitoba
(204) 632-9113

Zenith Radio Corp. of Canada, Ltd.
3171 No. 6 Road
V6V1P5
Richmond, British Columbia
(604) 270-8134

Heath Company
Hilltop Road
Benton Harbor, Michigan 49085
(616) 982-3200

Transfer Agent(s):

The First Natonal Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Midwest, Zurich, Basel.

Ticker Symbol: ZE

Number of Employees:

1981	28,000	1978	22,700
1980	25,200	1977	23,900
1979	24,000		

Plant Footage:

1981	9,900,000 sq. ft.	1978	8,600,000
1980	9,300,000	1977	9,400,000
1979	9,200,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1981	$ 1,275,200	$ 15,600
1980	1,185,900	26,400
1979	1,075,200	19,000
1978	980.000	23,300
1977	965,600	(4,697)

	No. of Com. Shares	Earn. per Share
1981	18,910,793	$ 0.82
1980	18,862,034	1.40
1979	18,835,900	1.01
1978	18,835,900	1.24
1977	18,835,900	—

(Loss)
+ Of continuing operations only.

Revenues By Line of Business
(000's)

	1981	1980
Color TV	$ 785,000	$ 774,000
Other Zenith Consumer prods. & parts	256,000	229,000
Heath, computers	125,000	102,000
Components, other	109,000	81,000
Total	$ 1,275,000	$ 1,186,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1981	$0.525	—	—
1980	0.60	—	—
1979	0.90	—	—
1978	1.00	—	—
1977	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1981	$ 297,000,000	$ 15.70
1980	291,000,000	15.43
1979	275,435,000	14.62
1978	273,424,000	14.52
1977	268,917,000	14.28

Income Account *
(000's)

Year ended Dec. 31	1981	1980
Net Sales	$ 1,275,200	$ 1,185,900
Cost of sales	1,042,000	954,900
Expenses	198,700	177,400
Gain on sale	—	(1,800)
Interest expense	19,600	16,100
Other Income	(11,700)	(8,100)
Income before taxes	$ 26,600	$ 47,400
Income taxes	11,000	21,000
Net Income	$ 15,600	$ 26,400

* Included in Costs and Expenses, Depreciation and Amortization: $22,400,000 in 1981 and $18,500,000 in 1980.

Assets
(000's)

As of Dec. 31	1981	1980
Cash	$ 15,600	$ 11,700
Marketable securities	2,000	51,600
Receiv., net	172,900	166,800
*Inventories	322,700	235,800
Prepaid expenses	31,800	28,900
Current Assets	$ 545,000	$ 494,800
#Fixed assets	188,000	151,100
Other assets	10,200	9,500
Total Assets	$ 743,200	$ 655,400

Liabilities
(000's)

Short-term debt	$ 40,000	$ —
Accts. payable	87,500	59,100
Accruals	82,100	75,900
Accrued payroll	36,100	31,800
Income taxes	10,600	12,800
Curr. Liabilities	$ 256,300	$ 179,600
Long-term debt	162,500	163,000
Deferred inc. taxes	27,000	21,800
+Common stock	19,000	19,000
Add. paid-in capital	7,200	8,200
Retained earnings	276,100	270,400
Treasury stock	(4,900)	(6,600)
Total Liabilities & Shareholders' Equity	$ 743,200	$ 655,400

* At lower of cost (FIFO) or market and at cost (LIFO) which does not exceed market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.08	4.00
%Net Income to Sales	1.22	2.23
%Net Income to Equity	5.24	9.07
Sales to Inventories	3.95	5.03
Working Capital	$288,700,000	$315,200,000
Current Ratio	2.12	2.76
Shareholders' Equity	$297,400,000	$291,000,000

Zero Corporation

777 Front Street
P.O. Box 509
Burbank, California 91503
(213) 846-4191

Officers: John B. Gilbert, chairman of the board; Howard W. Hill, president & chief executive officer; James E. Osterman, v.p. & secretary; Earle V. Schirmer, Jay R. Manwaring, Robert C. Sherburne, vice presidents; Richard N. Holt, treasurer & assistant secretary.

Directors: John B. Gilbert, chairman; Richard R. Gomez, Howard W. Hill, Arnold D. Larson, Roger L. Putnam, Jr., Clinton G. Gerlach, Robert C. Sherburne.

Areas of Work: Engaged in the design, manufacture and sale of metal containers, cabinets, instrument cases and other packaging for the electronics and data processing industries. Also manufactures and sells proprietary plastic and metal components and assemblies used in the electronics and other industries and devices for the cooling of electronic equipment.

Divisions and Subsidiaries:

Zero-West Division
777 Front Street
Burbank, California 91503
(213) 846-4191

Zero-East Division
288 Main Street
Monson, Massachusetts 01057
(413) 267-5561

Scanbe Manufacturing
3445 Fletcher Avenue
El Monte, California 91731

McLean Engineering
70 Washington Road
Princeton Junction, New Jersey 08550
Manufactures blowers and fans for cooling electronic units.

McLean Midwest
4000 83rd Avenue North
Brooklyn Park, Minnesota 55443
Manufactures air conditioners and heat exchangers for electronic equipment.

Zero Corporation

Affiliates:

Ocean Technology, Inc. (40% owned)
2835 North Naomi Street
Burbank, California 91504
(213) 849-7111

Provides systems engineering, research and development services and electronic equipment relating to shipboard communication, command and weapon control systems installed on U.S. Navy vessels.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York,Pacific

Ticker Symbol: ZRO

Number of Employees:

1981	1,390	1978	1,400
1980	1,475	1977	1,200
1979	1,509		

Plant Footage:

1981	1,200,000 sq.ft.	1978	900,000
1980	1,020,000	1977	900,000
1979	1,008,000		

Sales and Earnings

	Net Sales	Net Income
1982	$ 81,730,000	$ 7,431,000
1981	79,266,000	5,883,000
1980	65,539,000	4,740,000
1979	56,558,000	3,824,000
1978	48,454,000	2,883,000

	No. of Com. Shares +	Earn. per Shares ‡
1982	4,009,195	$ 1.94
1981	3,699,136	1.58
1980	3,570,920	1,29
1979	2,827,705	1.06
1978	2,201,701	0.81

+ Adjusted to reflect stock splits.
‡ Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1982	1981
Specialized enclosures	$ 54,240,000	$ 53,262,000
Enclosure accessories	21,114,000	19,810,000
Other	6,376,000	6,194,000
Total	$ 81,730,000	$ 79,266,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1982	$0.46	—	5-for-4
1981	0.347	—	5-for-4
1980	0.256	—	5-for-4
1979	0.215	—	—
1978	0.160	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1982	$ 39,789,000	$ 9.92
1981	28,569,000	7.72
1980	23,207,000	6.50
1979	19,257,000	5.45
1978	15,902,000	4.62

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended March 31	1982	1981
Net sales	$ 81,730	$ 79,266
Other income	2,252	1,183
Total income	$ 83,982	$ 80,449
Cost of sales	51,867	52,595
Expenses	13,590	12,713
Depreciation	2,008	1,854
Interest expense	1,790	1,760
Income before taxes	$ 14,727	$ 11,527
Income taxes	7,296	5,644
Net Income	$ 7,431	$ 5,883

Assets
(000's)

As of March 31	1982	1981
Cash	$ 254	$ 777
Marketable securities	15,654	7,317
Receiv., net	12,592	10,985
*Inventories	13,359	13,483
Prepaid expenses	309	487
Deferred inc. taxes	743	729
Current Assets	$ 42,911	$ 33,778
Investments	2,630	2,383
#Fixed assets	17,111	15,356
Other assets	2,333	1,366
Deferred inc. taxes	—	77
Intangibles	1,176	1,221
Total Assets	$ 66,161	$ 54,181

Liabilities
(000's)

Long-term debt, curr.	$ 1,110	$ 938
Accts. payable	2,235	2,507
Accruals	939	1,560
Accrued payroll	4,245	3,824
Accrued interest	300	320
Income taxes	1,281	1,209
Other taxes	955	943
Curr. Liabilities	$ 11,065	$ 11,301
Long-term debt	8,688	7,824
Subord. debt	3,563	3,543
Non-curr. liab.	1,666	1,979
Deferred inc. taxes	151	—
Cap. lease oblig.	502	562
Minority interest	737	403
+Common stock	4,009	2,959
Add. paid-in capital	10,827	6,319
Retained earnings	24,953	19,291
Total Liabilities & Shareholders' Equity	$ 66,161	$ 54,181

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.02	14.54
%Net Income to Sales	9.09	7.42
%Net Income to Equity	18.68	20.59
Sales to Inventories	6.12	5.88
Working Capital	$31,846,000	$22,477,000
Current Ratio	3.88	2.99
Shareholders' Equity	$39,789,000	$28,569,000

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